

APRIL, 1955



Winnipeg, Manitoba, Canada

WINNIPEG, MANITOBA, CANADA, is a city whose streets are laid out on trails made by pioneers' oxcarts. Modern buildings stand where once there was nothing but flat, bare prairie. But the friendliness and openness of the old West are still in the air. Winnipeg is a city based on history, and evidences of that history are still there. But besides, it is a thriving commercial center and a tourist city with top recreation facilities.

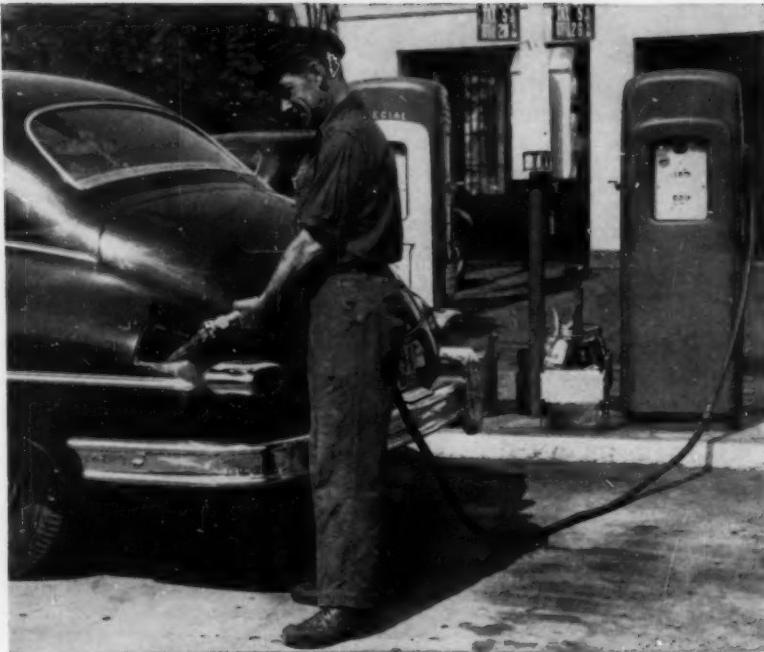
Four large and some 40 smaller parks dot the city with open spaces, lawns and trees. More than 200 miles of the city's streets have been boulevarded and planted with trees, some of which are overarching now with the growth of 50 years. Winnipeg is unusually well provided with golf courses. Swimming, canoeing and sailing center in two private clubs and a swimming club. As for shopping, the downtown stores range in size from huge department organizations to tiny gift shops; each with a stock of goods from near and far: rugs from India; chinaware from England; diamonds from South Africa; linens from Ireland; and blankets of trading-post fame.

Winnipeg is served by two transcontinental railways, the Canadian National and Canadian Pacific. Railway traffic also comes over Great Northern, Northern Pacific, and Soo Line directly to Winnipeg from the United States. Stevenson Field is the base of operations for the Trans-Canada Air Lines. In addition, Canadian Pacific Airlines and Northwest Airlines serve the city.

A booming industrial center, Greater Winnipeg serves the growing Western Canadian market. All types of light and heavy industry are located in the city and they employ more and more people every year. Winnipeg is a favorite shopping center for Americans. The American luxury tax on jewelry and perfumes does not exist in Canada and the result makes Winnipeg a shoppers' haven for visitors. Products are available in a wide range from beautifully hand-tooled and dyed handbags to fine hand-spun wool.

Winnipeg is the home of the Credit Grantors' Association with 227 members in the National Retail Credit Association. S. E. Masson is Secretary-Manger.

CREDIT WORLD



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The CREDIT WORLD

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In This Issue

Winnipeg Number

Six Feature Articles

The Credit Bureau and Credit Grantors of Winnipeg . . .	4
F. E. Womersley	
Credit Women's Breakfast Club of Winnipeg . . .	5
Mrs. Lydia Kuhn Clark	
Promoting Credit Sales . . .	6
Harold Genser	
Credit Bureau Use and Cooperation Paid Dividends . . .	9
Karl G. Slocomb	
Coal and Fuel Oil Credits . . .	10
Donald G. Pearson	
A Teenager Looks at Credit . . .	30
Joe Quinn	

Five Other Highlights

1955 Retail Credit Institute . . .	12
International Conference Speakers . . .	14
Program Highlights . . .	16
What Is the Most Important Credit Problem for 1955? .	18
Credit Flashes . . .	20

Seven Departments

Local Association Activities . . .	13
The Credit Clinic . . .	22
Credit Department Letters . . .	26
Items of Interest From the Nation's Capital . . .	28
Comparative Collection Percentages for February . . .	29
Granting Credit in Canada . . .	30
Editorial Comment by L. S. Crowder . . .	32

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CREDIT WORLD
APRIL 1955



The Credit Bureau and Credit Grantors Association Ltd., of Winnipeg

F. E. Womersley

Founder, The Credit Bureau, First Secretary-Treasurer of C. G. A.
and at present Honorary Life President



GET OUT OF this office as we will certainly not under any circumstances give you private and confidential information on our various accounts. I like your nerve asking for it." This phrase or similar ones were the rule rather than the exception when the Credit Bureau of Winnipeg was undergoing the pangs of birth. Nineteen thirty was the year the Credit Bureau commenced to gather information of a credit nature from any place it was possible to obtain it. Lists of writs, judgments, chattel mortgages, etc., were obtained from the Courthouse. Voters' lists were examined, house owners listed. We could go on henceforth telling you from whence information was obtained.

It was touch and go very many times whether or not we would survive. There was another credit organization who had been in business for upwards of 20 years but were gradually going down and down. The new Credit Bureau eventually bought them out and took over all their files and other assets. This was in 1937 and was a turning point although the silver lining was still ahead. We will skip the rest of the ups and downs—everybody has them.

The Credit Bureau— A Flourishing Organization

Today the Credit Bureau is a flourishing organization, an asset to the community, and is fulfilling its destiny of helping to make Winnipeg a city in which to grant credit safely. One of its hardest jobs in the past has been to get the idea over that the functions of a Credit Bureau are not to restrict the granting of credit by way of "blacklisting" but to help in everybody getting all the credit he is entitled to, according to his paying record. By the same token, the merchants would do more business of a profitable nature.

Besides supplying its members with credit reports, the bureau has a collection department, and a bailiff department, both of which are functioning in a very efficient manner. The present manager of the Bureau of Winnipeg is S. E. Masson, who is doing an excellent job. One of the big things that helped to assure the success of the Credit Bureau was the formation of the Credit Grantors' Association which was organized in 1945. A number of credit men got together to form The Credit Bureau, obtaining a charter from the provincial government of Manitoba in 1935 with various aims and objects all relating to credit. This is a nonprofit sharing organization.

It is not possible to mention the names of all those who have done such a wonderful job in the formation and continuation of the Credit Grantors' Association, Limited, but there are three names which must be mentioned as the leaders in the early days of the Association and who still have a great interest in it. The first president, Howard H. Albright, and the vice president, F. W. Funk, and director, A. U. Chipman, took upon themselves an enormous amount of work in the organization

of the association. In evidence of their thoroughness and advance thoughtfulness it can be said that it has hardly been necessary to change the original by-laws of the Association. Any changes that have been necessary are only of a minor nature.

The Association has a president and eight directors, each director being chairman of a committee. There is a Publicity Committee responsible for the Association meetings and activities being mentioned in the local papers. The Reporting Bureau Committee shall have charge of and be responsible for all matters relating to Credit Bureau service from the standpoint of both the Bureau and individual members. The Legislative and Finance Committee shall encourage the passage of legislation to protect the Credit Grantor and oppose legislation which will be harmful to the interests of the Credit Grantor. The Inter-Association Relations Committee shall be responsible for friendly business relations of our Association with similar organizations such as Winnipeg Credit Women's Breakfast Club, and the National Retail Credit Association. The Reception and Attendance Committee shall provide ways and means of encouraging attendance at meetings. The Program Committee's duty is to select subjects of general interest to our Association and provide speakers to present them. The Educational Committee will be responsible for the putting on of Credit courses, public speaking courses, and see that the members are acquainted with the aims and objects of our Association. The Membership Committee shall devise ways and means of increasing membership in the Association.

The first Convention of the Credit Grantors' Association of Canada was held in Winnipeg. During the years several Credit Courses have been conducted by the Association from material supplied by the N. R. C. A. Great benefit has been derived from these courses. One of the graduates of such a course has become one of the top credit executives in the United States.

Active in National Affairs

The Association has also fostered for its members two public speaking courses from which great benefit has been derived. Many of the members of the Association have taken advantage of attending annual conventions of the N.R.C.A. and also the District Conferences. Some of their names are internationally known, particularly those of Karl G. Slocomb and Harold Genser.

We venture to say that the Credit Grantors' Association and the Credit Bureau of Winnipeg have done a fair share in raising the standard of living of the Canadian people, at the same time helping the retailer, the distributor, and the manufacturer to dispose of their goods and services in a manner to benefit the whole of this growing country of ours.

(Turn to "Credit Bureau," page 31.)

Credit Women's Breakfast Club of Winnipeg

Mrs. Lydia Kuhn Clark

Past President, District Six, Credit Women's Breakfast Clubs of North America



ONE COLD NIGHT in December, 1935, five credit women met in the Credit Bureau office to organize the Winnipeg Credit Women's Breakfast Club. Through the interest of credit granters and Frank Womersley, then manager of the Credit Bureau, this was the start of almost 20 years of successful operation. The club now has 30 active members. In February, 1938, quite a large delegation of credit granters and 6 Breakfast Clubbers made the trip to Minneapolis for the purpose of organizing the 6th district. At this meeting two Winnipeggers were elected to district office.

Many successful educational and social meetings have been held. At the monthly breakfasts, prominent men and women of the business and professional world have been speakers. Among the high lights of the club's activities are the annual Bosses' Breakfast, Spring Dances and Fall Dances which have had the support of Major Masson of the Bureau and so many credit granters.

In 1941 the club sponsored a tea in aid of the Navy League of Canada. This was opened by Gracie Fields. In 1949 Winnipeg played host to the Sixth District Consumers' Conference. During this conference the club arranged for visiting Breakfast Clubbers and the wives of delegates to be entertained at tea at Government House. The graciousness of the late Mrs. R. F. McWilliams will long be remembered by all.

In 1950 the club won the trophy for the best Scrapbook of the district. In 1952 the Perfect Attendance Trophy was won. In 1954 the Mileage Trophy was brought back from the district conference.

In the foregoing paragraphs, I have touched briefly on the activities of the club. It is the hope and belief that with the further support and confidence of the Credit Grantors Association, and the cooperation of its members, the Winnipeg Credit Women's Breakfast Club will go on to do bigger and better things.

Historical Background of Organization

Mrs. Edith Shaw Johnson had great imagination and was the first to recognize the need for an organization which would develop and direct the needs and energies of the credit woman in a way which would be the most beneficial to her fellow workers, her employer, and herself.

The first breakfast club was organized in Portland, Oregon, in 1930, the main purpose being to promote the interests of credit women in their profession and to further the education of its members in the methods, practice, and procedure of credit, to promote good will, fellowship and a better understanding among its members by personal contact, and to bring about a closer cooperation between the credit department and the credit bureau.

Through the vision and courage of Mrs. Johnson, won-

derful opportunities never before offered women opened the door to advancement and progress. So many who do not understand the breakfast club are amazed when they learn that each month 25 or more meet for breakfast to discuss problems, hear a speaker, and make plans for social and business events. Results of these meetings are very gratifying. We learn a great deal from each other.

Is there a breakfast club in your city? If not, I would suggest you do something about it immediately. The results will be very encouraging and profitable, especially to the employer. Investigate any community that has a well-established breakfast club and you will find that members of the club have learned to win friends and create a more pleasant relationship between customers and their employers.

I would also suggest that the employers stand behind their girls in all their Breakfast Club activities, pay their dues and breakfasts, and help them to attend the district and national conventions. The cost is so small in comparison to the benefits derived.

There are now about 14,000 members in the Credit Women's Breakfast Clubs of North America. Why would so many be interested enough to join this organization? Because it helps them to do a much better job, be more efficient, handle customers much more satisfactorily, and work closer with the credit bureau. All this is to the employers' advantage.

Before the existence of the Credit Women's Breakfast Club there was little personal contact between girls in credit departments and the credit bureau. Today Breakfast Clubbers have a greater circle of friends, increased personal interests, and broader point of view.

So many lasting friendships have been formed, and because of this we are happier and more intelligent people, and much more valuable to our employer. May the Credit Women's Breakfast Clubs of North America continue the good work of the first quarter century.

About the Author

On her way to the annual conference of District Six of the National Retail Credit Association and the Credit Women's Breakfast Clubs of North America held in Sioux City, Iowa, two years ago, the train collided with a snow plow and Mrs. Clark was the most seriously injured of the several delegates. She has been in several hospitals and nursing homes since. During that time she contributed articles under the heading "Chit-Chat from a Wheel Chair" to THE INTERNATIONAL, a publication of the C.W.B.C. of N.A. A short time ago her right hand was operated on and put into a cast for six weeks. She used her left hand in writing the article on this page.

Promoting Credit Sales

Harold Genser

Genser & Sons, Winnipeg, Manitoba, Canada
Past President, Credit Grantors Association, Winnipeg
Past President, Credit Granters Association of Canada



WE ARE ALL aware that the heyday for credit sales is here. As an ally of progress and planning, more and more recognition is being given to the proper position of credit sales promotion. It has now stepped up into the formal ranks as one of the active and acknowledged day-to-day functions of any business, and why not? Promotion means advancement and progress! There are only two classes of customers: Your customers and your competitors' customers!

Cash customers are desirable, yet cash customers are intangible. Cash customers generally follow a popular trend. A popular trend is generally found to be toward that store which is increasing its number of regular credit customers over a period of time. Remember, every credit customer which you add to your list is one less "credit floater" that may be gathered up by your competition.

One cannot help but realize the great sales potentiality that lies within a proper charge account or a credit sales promotion campaign. It is not merely the function of a credit department but should be the vital concern of all parties from the managing director, the sales promotion and publicity manager, and all persons connected with any retail establishment, to see that such a plan is put into effect and definitely adhered to. The manager of credit sales should take the initiative and assume the responsibility for such a campaign. It is he who has been trained in the many complex and varied parts of the system by study and experience. A credit sales manager's value to his employer should not be judged alone by collection percentages, bad-debt losses, low percentages of refusals, important as all these may be; but he should be judged also by the diligence and enthusiasm with which he sells the use of credit to the public and by the ideas he places before the management for the extension of the credit plan. Do not forget that systematically conducted sales promotion, although a full-time job, is limitless in its returns. It is not practical to sit back and wishfully and hopefully wait for new business. You have to go after it. Here is a tentative plan for credit sales promotion:

- (1) Increase your charge-account list by aggressive and decisive solicitation of new accounts.
- (2) Customer relations.
- (3) Reawaken dormant or inactive accounts and again put them on the sales production line.
- (4) Establish different plans to lead your cash customers into some form of credit participation with your store.

In the first place, you must determine whom you wish to solicit. Naturally you want good risks, therefore, you seek avenues of approach to such groups of potentials as represent good risks. The following selected lists might be considered: city directory, telephone book, voters' registry, taxpayers' list, newcomers, professional *Who's*

Who, marriage license records, club memberships, fur storage customers, C.O.D. purchases, cash customers, cheques cashed, employee rosters, and recommendations by customers or employees. These sources are inexhaustible because of the changes in the lists over a period of time.

Check the list of your master records. This is done to determine whether or not the prospect is already on your books. Check those not already on your books to your permanent previous solicitation list so that there will be no resolicitation until a six months' interval has elapsed. Having prepared such lists, we can have the Credit Bureau code rate the names or we can decide to draw credit reports after an application is received. The most preferred method of solicitation is by letters. Letters are of great value in building good will so be sure your letters reflect good salesmanship for your store and its services. Personalized letters make the appeal more cordial and should be used whenever possible. For example, supposing you are soliciting a real estate taxpayer's list. You would write something similar to the following:

Dear Mrs. —

Inasmuch as you are a home owner, in a suburb of Creditville, we feel that it would be a convenience for you to have a charge account at our store. This brings our great store and all the services as close to you as your telephone, etc., etc.

Sincerely yours,

If you wish, you can enclose a small application card containing information valuable to the credit department which the customer is asked to sign and return. A return postage-prepaid envelope should always be enclosed. This is convenient not only for the customer but also for the credit department. If there is no reply to the solicitation letter, after six months another solicitation is sent which is known as the special repeat solicitation and with this goes an appropriate letter. If there is no response to this second resolicitation, this account card is withdrawn after a reasonable period of time. Do not economize on this job and be sure to use good quality stationery. In addition to sending letters there are also other methods such as house-to-house solicitation, telephone approach, package inserts, ads in elevators, signs and invitations placed throughout the store, and campaign by employees.

Every charge or deferred payment account is a potential customer for more business and we like to think of these customers as our own personal property. The more we endear ourselves to our customers by courteous service, helpfulness whenever possible, and interest in them, the more likely they are to remain our customers only, with resulting increased business. It is logical to assume that every customer who opens an account elsewhere, giving your name as reference, means a possible

loss of business to you. If we have exercised what is really sales promotion, we will probably have bound that customer to our store so tightly that purchasing in another store will not come to mind. Here comes the customer to the credit office, not intentionally to buy more but for service of some kind or another. Some are customers of long standing who have never been to the office, others are coming into the store for the first time. These customers must be met and served right here. Courtesy, consideration, and willing helpfulness should be evident at all times. A smile and a pleasing manner may well lay the cornerstone for pleasant business relations and increased volume. The first contact in the office with any customer may be the beginning of a beautiful friendship or the beginning of many problems. Often customers' dissatisfaction is more the result of some unpleasant happening than anything else. It is the way it was said rather than what was said. A smile plus a pleasant word makes satisfied customers. They tell others. Each one of the satisfied customers has friends, neighbours, and relatives. These, too, can be attracted to you by that word-of-mouth praise. Favourable recognition has been established. Is this increased business? It certainly is.

Soliciting Inactive Accounts

The promotion attack on the inactive account should be planned, not executed on a hit-or-miss basis. Inactive deferred-payment accounts should never be forgotten. They, too, represent valuable customers. Many accounts are inactive because customers have moved out of town and do not realize you can still service their needs through mail orders or telephone orders. Have you told them of your facilities for this purpose? Do you have the new address? Both objectives can be gained during promotion effort.

There is a difference of opinion as to the lapse of time which determines an account is inactive. A survey of retail credit stores shows that less than a third feel that an account is inactive if it has not been used for 90 days, while considerably more than a third rate an account inactive if not used for a period of six months. Within a three or six months' period seems to be the accepted time for the determination of inactivity. Nowhere does a greater credit sales promotion opening exist than in the graveyard section of the charge account, namely the inactives. Here are innumerable cases that can be kept alive for a longer and more productive business life by a small hypodermic injection of sales promotion.

A kindly letter, a message printed on an unused bill, even a post card, anything to show an interest in the customer, is better than nothing and must bring results. All that these poor neglected forgotten customers need is to be told that somebody cares. Promptness in follow-up is essential lest customers acquire new habits of trading in other stores. Be sure that you have your message delivered before somebody else sends out a singing telegram with a pound of butter.

Regular routine follow-up should be the next procedure. The appeal in the follow-up should be compelling, like mention of some special sales event or some particular reason for the customer to come in and resume buying—not a mere statement that the customer has been missed nor a general invitation to come in and buy. The gist of a typical letter would be somewhat on this order:

Dear Mrs. Smith:

We miss you. Come to our store, nylons galore, with every purchase.

If regular inactive follow-up results in no response sooner or later after the customer has been sent direct mail advertising and reminded she has been missed, a letter might be sent asking the reason she has discontinued using her account. It is often effective to use different size and quality stationery from that generally used in the firm's correspondence with customers for this letter and to have it signed by some official of the company. Inactive follow-up, when properly done, is generally felt to create a great deal of good will. This is because a customer likes to know that she is appreciated and that the cessation of her patronage has been noted. This customer with a dormant account can be made to feel so good that you should be able to revive the account by charging an electric heater in the middle of July with the thermometer around 95.

1. *Mail Orders:* All mail orders received by the mail order department are solicited for a new charge account sent directly to the customer with an application for and return paid envelope.

2. *Telephone Orders:* All telephone orders are alphabetically catalogued and a charge application form with return-paid envelope is sent to each customer.

3. *C.O.D.'s* handled same as mail orders and telephone orders.

4. *Direct Mail:* In our monthly bills we have a definite form of mail order solicitation folder which carries forty suggested mail order items. Also on the cover of this monthly bill insert is written a story stressing the importance of having a regular charge account at our store.

5. *Radio:* About one week in every six we go on our radio programs with a direct appeal for new charge-account customers, budget-account customers, and merchandise-coupon-account customers. This is particularly desirable if the timing is proper and the approach well directed. For example, what better service can be offered as one approaches the holiday Christmas shopping season or a period such as Mother's Day than to offer a credit plan of payment to the public?

6. *Direct Advertising in Newspaper:* A series of 150-line advertisements are run every second week through the year in the local papers. These bear a humorous type of approach, and the appeal is directed to different types of customers in each different advertisement. For example: to the "woman who works," to the "shut-in" who finds shopping inconvenient, to the teen-ager who is desirous of becoming a customer on her own, etc. While that may be an incomplete covering of the charge sales promotion section of our subject, we shall have to pass on because the time we can devote to each part of our topic has certain limits.

Soliciting Instalment Accounts

Much of what has been said about charge-account sales promotion can be applied with equal force to the promotion of instalment sales. However, the approach to the selling of the use of instalment credit must be different because it is restricted in most stores in the number of lines of goods to which it applies. You cannot go out into the highways and byways and offer

Write for Low-Cost Test-Plan! Compare!

27th success-year with Hecht's; Foley's; Jordan Marsh; May Co.; and other top stores, large and small.

For one Akron store, our unique midse.-fashion approach opened

11,000 NEW CHARGE ACCTS.

for **50¢** each

3000 New Accts. opened for Goerke's, N. J. **\$301,000**
bought during the first year alone

WE REVIVE 50% to 70% INACTIVES
3725 (50%) Inactives in famed Texas store
bought within six months, at $\frac{1}{2}$ % cost **\$241,000**

LESTER **brozman** COMPANY
160 FIFTH AVENUE, N. Y. C. 10

instalment credit—it can be offered only along with your offering of certain goods. Then let us set down the ways in which "deferred payment" or "budget-plan" terms can be sold to the public.

First of all, perhaps, is the plan of connecting the budget terms to the articles to which they apply, as for instance by running a budget-plan terms box along with an advertisement of furniture, or whatever it may be on which you are offering terms. That is a good way of calling the reader's attention to the fact that certain items in this advertisement may be purchased on a plan of deferred payments.

In the merchandise departments, cards can be placed on the individual items purchasable on the budget plan with or without a statement of the details. In the case of both large and small items the budget plan price and terms can be shown on the price tag. This is particularly adaptable to furniture, rugs, stoves, washing machines, sewing machines, radios, etc., where the price tags are large enough to carry the extra information. Large display cards can be placed throughout the store and in show windows advertising the store's budget plan and directing potential customers to the nearest budget plan office for details.

Budget plan sales can be increased and large stocks of goods moved by providing special terms for special sale periods. This plan can be used with good results during semiannual sales of furniture and house furnishings, seasonal sales of such items as fur coats, and featured low-price sales of special buys of radios, refrigerators, vacuum cleaners, stoves, rugs, etc. Budget coupon books can be used to permit purchase in any department of the store. Terms on these books should be restricted somewhat, on the basis of the down payment and the time for payment, bearing some reasonable relation to the probable life of the goods.

Review of Budget Plan Accounts

Let us turn now to the promotion of this plan as a convenience rather than as a means of buying a specific article or articles on certain stated terms. The reviving of inactive accounts comes to the fore here although budget plan accounts cannot be expected to offer the same appeal for regular use as the charge account. Nevertheless a review of budget plan accounts will show a surprisingly high percentage being used almost continuously, that is, never allowed to remain idle. When

the furniture has been paid for, perhaps a rug or a suit of clothes or a piece of jewellery is wanted. But those customers who have tried this method of paying for larger purchases are already familiar with the plan's convenience from a money budgeting standpoint and are more receptive to a suggestion that the account be kept in use than is a cash buyer to the suggestion that such an account would be found convenient and helpful by him. On that premise, then, considerable attention should be given to keeping active the accounts already placed on the books. Probably the best time to contact such customers is shortly after they have paid for one purchase; the argument can be used that the buyer's credit has been established and proved satisfactory and it is so easy to add another purchase to the account.

Another source of new budget plan accounts is the charge office files. The approach here has to be carefully planned because while people are willing to buy on charge accounts they are in many cases conscious of the stigma, shall we call it, that still clings to instalment buying. That may be a strong term but the old idea of "\$1.00 down and the balance when you catch me" dies hard because it has been so widely publicized on the vaudeville stage and in the humorous story and has been so widely associated in the past with being "hard-up."

Types of Credit Letters

A letter to such a customer might well commence by thanking him or her for his or her patronage through a charge account and go on to call attention to another account service that is available and so easy to arrange for those who have established their credit with the store. A card might even be enclosed, introducing the charge-account customer to the budget plan department and the account might be arranged right at the office where the customer has been accustomed to doing business if he or she should be sensitive about being seen in the budget plan office. Of course, in many stores the two departments share one office because the volume in each case is not large enough to warrant separate installations.

Some Factual Information

I merely wish to give some factual information. The average charge account is in the vicinity of \$100 per annum, and by a simple process of arithmetical progression the following fact can be quickly arrived at: 5,000 new charge accounts translate themselves into \$500,000 worth of sales; 20,000 new charge accounts translate themselves into \$2,000,000 worth of sales! Take a little block of paper, seat yourself in a quiet corner and dream your dreams of greatness and success if you can arrange to put this arithmetic table to work for your store. However, I would not advise you to even so much as start with the block of paper and the mathematical equation unless you have definitely convinced yourself first that, like all truths, one must believe and seek to ascertain one's own sincerity in attempting this work before reckoning one's reward!

It has worked successfully in some of the largest and some of the smallest institutions in the country. The only way to become larger is through growth, and the positive way to become smaller is to close your minds to any possibility!

★★★

Credit Bureau Use and Cooperation Paid Dividends

KARL G. SLOCOMB, Western Finance Company Ltd., Winnipeg, Manitoba, Canada

Past President, Credit Grantors Association, Winnipeg

Past President, Credit Grantors Association of Canada

FOLLOWING GRADUATION as a chartered accountant in 1920, I joined the insurance department of Black & Armstrong as manager of the Hail Department and later took over also the Casualty Department, which included automobile insurance. National finance companies, writing insurance on motor vehicles financed by them, were making serious inroads on the premium income of insurance agents. In self-defense a number of these agencies, using funds made available by insurance companies, started finance departments.

In January, 1927, Black & Armstrong organized a finance department using money borrowed from a bank at 4 per cent interest. A 2 per cent charge was added but no bond was purchased to guarantee the company against loss as it was felt losses could be kept well below amount of bond premiums. Purchasers were interviewed personally and carefully selected on information they furnished supplemented by possible telephone calls to check employment or references.

Since right of selection was retained by the independent finance companies, the paper was all accepted without dealer recourse. Dealer reaction was not uniform, some being happy to be relieved of contingent liability and others unhappy because they did not receive any participation. This plan was unfair to the national companies who kept the dealers in business through wholesale financing and lost the most desirable retail deals. They had only themselves to blame for having forced the insurance agents into the finance business.

With the most careful selection by the "eyeball" method, there were still repossession. Costs, repairs, and commission on sale of seized vehicles usually entailed substantial losses. Insurance company records have always indicated that their loss ratios are much higher on financed vehicles. In 1930, a man with an idea called at my office and did an excellent selling job in spite of a cool reception. Frank Womersley as an official of the County Court realized the value of information available there and the possibility of adding much other information necessary to anyone granting credit on a sound basis. With the promise of support from a number of automobile dealers, finance companies and large stores, the Credit Clearing Bureau was organized by Frank Womersley and commenced business in 1930.

Decisions for the acceptance of nonrecourse paper are required almost immediately. No other means of checking applicant's statements or paying record is so readily available, as a telephone call to the Bureau provides information within minutes to enable a correct decision to be made or an indication that further checking is necessary. The consistent use of Bureau reports immediately reduced the work of collection and percentage of repossession and the bad debts to be written off at the end of the year.

By 1935 the Bureau was firmly established but it was realized that a closer liaison between Bureau and the users of reports would be to the mutual advantage of

both and the Credit Grantors' Association of Winnipeg was formed under the guidance of such able men as Howard Allright, Arthur Chipman, F. W. Funk, Jack Rathgeber, Knud Schioler, and others with Frank Womersley as perennial secretary. This organization has shown a steady growth until all credit grantors of any size in Winnipeg are members.

The first business to organize group meetings within the framework of the Association was the finance companies. Motor vehicle financing had become so competitive among the 25 companies operating in Winnipeg, that the time purchaser nearly always secured quotations from several companies on rates and terms before signing a contract. Cutting of rates and extending terms of payment caused serious reduction in profit to all companies.

Regular group meetings resulted in the elimination of rate cutting and established a sound community credit policy. Discussion of dealer operations and experience with undesirable individuals reduced to a minimum the large losses previously suffered through dealer conversions and duplicate financing. Imposition of credit controls by the federal government during the war did not prove to be the calamity some opponents feared, nor did it accomplish what its sponsors hoped for. As a war measure it could be defended; as a peacetime curb it cannot be justified. It did enable the finance industry to put its house in order and prove the desirability of sound terms; competition will, no doubt in due course, cause unwise violations by overanxious or unwise management.

Following the war and the return to peacetime mass production of motor vehicles, radios, refrigerators and household appliances, sales finance companies were called upon to expand their resources rapidly to take care of the public demand. Volume has been great, profits high, and a sound credit policy has been maintained throughout the industry. There are indications of a possible change in conditions, which should warn finance companies against reducing down payments or extending terms in order to maintain volume. Some dealers have been advertising lower down payments and longer terms. More cheques are being returned N.S.F. More purchasers are requesting extension or reductions of payments and becoming less prompt in taking care of obligations on existing contracts. In my 27 years' experience in sales finance there has never been such a high percentage of customer conversions as in 1954.

The Province of Manitoba does not provide facilities for the registration of liens. Chattel mortgages are registered only in the county court where the encumbered chattel is located. There is no Certificate of Title law. Practically all franchised dealers have suffered losses through accepting trade-ins which were encumbered and used car dealers have been particularly unfortunate in buying such cars in addition to stolen vehicles.



Coal and Fuel Oil Credits

Donald G. Pearson

Credit Manager, Hagborg Fuel Ltd., Winnipeg, Manitoba, Canada

WINNIPEG is the coldest city in the world. This appears like a pretty broad statement and does not sound much like a tourist inducement, but it is true nevertheless. Mind you, there are many spots in the world that are much colder, but none of these spots have grown to the extent of being classified as a large city. Therefore, Winnipeg can claim this dubious honor.

Being the coldest city in the world, naturally the problem of fuel and heat is a very prevalent one, and represents a major expense in a person's yearly budget, average fuel bills being \$125.00 to \$175.00 for a modest five- to six-room home.

Consensus of opinion among fuel dealers, both oil and coal, is that we are now entering an era when the dealer must exercise more diligence and care in the selection of credit risks. In the period following the war, the problem of choosing credit accounts was not too difficult, as the greatest percentage of people were working and in general a spirit of prosperity prevailed.

During the war, due to shortage of coal supplies, people were educated to take their fuel deliveries, as much as possible, in large quantities during the summer or early fall. Also because of the shortages the fuel dealer was in a position to demand a little stiffer terms in regard to payments. Arrangements were made in some instances for the people to make their payments through the banks. That is, the fuel dealer would have the customer sign a note, take it to the bank, have it discounted, then the customer would make his payments direct to the bank. People seem to respect the bank to a greater extent than they do dealers. The catch to the note idea was that the bank insisted on the dealer endorsing the note also, and any slow payments were charged back to the dealer.

For two or three years following the war, people continued the habit of buying their fuel in large quantities during the summer. It was quite easy to arrange terms with accounts, as they started their payments when their first load of coal was delivered, and as we have always insisted on accounts being fully paid by April of the following year, the fact that they started their payments early reduced the size of each payment and collections were reasonably easy. However, as labor and machinery became more plentiful, people realized that even if they did not put their coal in during the summer they could still get all the fuel they required, and in the size and the brand of their choosing. This resulted in people opening up their fuel accounts later in the season, thus reducing the period of their payments, and as a result larger monthly payments were required.

People experienced some difficulty in meeting their accounts during the months of December and January, and as a result a larger balance was left by April. We have always found a reluctance on the part of customers to

make payments on their fuel account once the burning season is past.

In the past few years, there have been a good number of homes in the Winnipeg area burning oil. There have been a large percentage of people converting and practically all new homes constructed have had oil-burning equipment installed. This has expanded the fuel oil industry in this city and firms who are also in the retail fuel oil delivery have had a new credit problem to contend with, as practically every fuel oil delivery is on a charge or budget-account basis.

One of the larger retail fuel oil distributors in Winnipeg reports that 5 per cent are on a C.O.D. basis, 20 per cent on a budget basis and 75 per cent on 30-day accounts. When the records show that a tank is ready for a fill, it is done automatically, without the customer having to phone. The fuel oil is delivered and the delivery ticket or invoice is left in the customer's mailbox. Then at the end of the month the customer receives a statement showing balance forward and purchases during the month.

In the month of May, each year, all customers are contacted suggesting that they open up a budget account for their fuel for the following year. It is pointed out to them that if they will start their payments in May, their total cost of fuel requirements can be divided by twelve, or the number of months between when the account is opened and April of the following year. The earlier they start, the smaller their monthly payments will be. It is also suggested that the easiest way to handle their account is to give the dealer a series of post-dated cheques, for instance one for the 1st or 15th of each month, whichever date is the more convenient for them. These cheques are held in trust in the dealer's safety deposit box and are withdrawn and credited to the customer's account each month as they become due. It is estimated that about 20 per cent to 25 per cent of budget users are now using the post-dated cheque system and it is becoming more popular each year.

Budget Accounts Mailed Twice a Year

Detailed copies of customers' budget accounts are usually mailed to them only twice a year, usually in December and at the end of April. This is less confusing to the customer, because if a statement comes each month some of them feel as if you are dunning them for the full amount, or if the statement shows a credit balance some are inclined to skip the following month's payment. The statement in April is usually enclosed with a letter thanking the customer for his business and if there is a small balance outstanding, it is pointed out to him. If the customer has a credit balance at the time, it is suggested that a refund cheque can be mailed or if the customer so desires it can be applied on the next year's account. Most customers leave their balance to be applied on their next year's budget.

At the end of the month when statements are being pulled for mailing, a careful watch is kept for underestimated budgets. This fact is usually pointed out to the customer at once and an adjustment in the monthly payments is made so that the customer will not have too large a payment to make during April, the last month of the contract.

Thirty-day accounts opened up in the fall or early winter usually prove to be good accounts and require little collection work. However, numerous requests are often received in the middle of the season for a "one-time charge," just till payday, which is usually from three to four days off. Many of these people, upon investigation, prove to be a marginal type of risk. Yet the fact that they have been a good cash customer makes it difficult to turn them down. If credit is extended to them, they pay that time as promised. The next month again they apply for credit, this time for a little longer period and shortly they need more coal before the former account is paid. This type of account has to be watched carefully, as they soon pyramid and are difficult to collect toward spring.

Occasionally our drivers arrive at homes with C.O.D. deliveries and find no one home. The driver is instructed to call the office, at once, before putting the coal in. The credit department of the office then makes the decision as to whether or not the coal should be left, taking into consideration the length of time the person has been a customer and the district where the customer lives. The directory is checked for the person's employment and whether the customer is a home owner or not. In some

instances the Credit Bureau is called for a quick file check on customer's past history. If fuel is left, the customer is contacted by telephone the next day and arrangements are made to collect the money.

Collections have been reasonably good in Winnipeg. Most fuel dealers here are active members of the retail Credit Grantors' Association, and get a report on each new customer when they open their account. The dealers, each spring, are encouraged to process their accounts thoroughly, and all accounts listed that have proved to be past due or particularly slow during the past season. These lists are then forwarded to the Bureau, who in turn record the information on the person's file.

The telephone has proved to be the most effective method of contacting past-due accounts. The accounts are processed twice a month and all persons 15 days in arrears are tactfully contacted, suggesting that they must have overlooked their account for the month. This usually results in the payment's being brought up to date.

However, in accounts which are proving to be particularly slow, a promise is usually extracted from the customer at time of contact, for a set date for a payment to be made. On the date promised the customer is again contacted, saying that we will have a collector near their home that day and we will be glad to pick up the money. If the customer says that he has not got the money to pay as promised, a second promise is usually extracted and again the customer is contacted on the agreed date for a pick-up collection. If one appeals to a person's honour, with this type of account, usually a successful collection can be made after a few calls. ***

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One New Idea Will Make or Save You Its Price Many Times Over!

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Procedure for the individual skip tracer.
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Fourteen different ways to locate a skip without a registered letter.
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I plan to arrive about _____ (A.M.) (P.M.) _____, 1955.

Enclosed is my check for \$25.00 (payable to the University of Oklahoma).

LOCAL ASSOCIATION *Activities*



District Two at New York

At the annual meeting of District Two held in New York, N. Y., February 13-15, 1955, the following officers and directors were elected: President, Edward Gallagher, Lit Brothers, Trenton, N. J.; Vice President, Elsie M. Taylor, Williams Tire & Rubber Co., Troy, N. Y.; and Secretary-Treasurer, Russell J. DeCara, Hurley-Tobin Co., Trenton, N. J. Directors: Arthur K. Carmel, Industrial Bank of Schenectady, Schenectady, N. Y.; Jean Lansing, Albany Hospital, Albany, N. Y.; Leland S. Somers, McCurdy & Co., Rochester, N. Y.; Harold Appleyard, Credit Bureau of Atlantic City, Atlantic City, N. J.; Ethel Rogers, Industrial Bank of Schenectady, Schenectady, N. Y.; Earl Nirmaier, Wilderotter, Newark, N. J.; Donald Millard, Van Vorst & Co.; and Rudolph Severa, Credit Bureau of Greater New York, New York, N. Y. The National Director is Edward Gallagher and Alternate National Director is Elsie M. Taylor.

District Five at Rockford

At the annual meeting of District Five, held in Rockford, Ill., February 4-6, 1955, the following officers and directors were elected: President, Wilson Fox, Babcock Dairies, Toledo, Ohio; First Vice President, W. H. Wittwer, Wolff, Kubly & Hirsig, Madison, Wis.; Second Vice President, Robert Schmidt, Reifer's Furniture, Lafayette, Ind.; and Secretary-Treasurer, Dorothea M. Bolte, Lyons Brothers Lumber & Fuel Co., Joliet, Ill. Directors: Mrs. Evelyn Blum, Illinois Mutual Insurance Co., Champaign, Ill.; Hilma Geiser, Southern Optical Co., Louisville, Ky.; R. E. Dyreson, Illinois National Bank & Trust Co., Rockford, Ill.; Mrs. Hattie Belknap, Carlisle Allen Store, Ashtabula, Ohio; Mrs. Harriet Jewell, Robertson's, South Bend, Ind.; Mrs. Lillian Lawrence, Gustke & Sons Furniture Co., Battle Creek, Mich.; Mrs. Jean Craig, W. V. Rankin, Ltd., Ottawa, Ontario, Canada; Clem Lehnen, American Furniture Co., Milwaukee, Wis.; Mrs. Bessie Dunn, Robeson's, Champaign, Ill.; Mrs. Mabel Sproehnle, Besten & Langan, Louisville, Ky.; and Donald E. Woodrick, Smith Oil & Refining Co., Rockford, Ill. The National Director is Arthur R. Peterman, *Cleveland Plain Dealer*, Cleveland, Ohio; and Alternate National Director is Wallis Hocker, Chas. A. Stevens & Co., Chicago, Ill.

District Six at Omaha

At the annual meeting of District Six held in Omaha, Neb., March 13-15, 1955, the following officers and directors were elected: President, Gayle W. Huston, Koch Bros., Des Moines, Iowa; Vice President, Eleanor Wilson, Anderson Furniture Co., Duluth, Minn.; and Secretary-Treasurer, L. F. White, Lawlor's, Lincoln, Neb.

Directors: John Lansing, Green Colonial Furniture

Co., Des Moines, Iowa; William Kaster, Newman's, Cedar Rapids, Iowa; L. A. Tasker, Western Finance Co., Ltd., Winnipeg, Manitoba, Canada; Florence E. Ostenberg, Eyestone Realty Co., Aberdeen, S. D.; and Ray Benston, Iowa Public Service Co., Sioux City, Iowa. National Director is William Streeter, Boutell's, Minneapolis, Minn.; and Alternate National Director, Bert King, Roberts Dairy Company, Sioux City, Iowa.

District Seven at Oklahoma City

At the annual meeting of District Seven held in Oklahoma City, Okla., March 13-15, 1955, the following officers and directors were elected: President, Melvin E. Clark, Innes Co., Wichita, Kan.; First Vice President, Forrest Brunson, Emery Bird Thayer, Kansas City, Mo.; Second Vice President, Felice Cialone, Merchants National Bank, Fort Smith, Ark.; and Secretary-Treasurer, Mrs. Frances R. Smith, Hunt's, Fort Smith, Ark. Directors: Edward Falk, Jr., Newman's, Joplin, Mo.; R. C. Helvie, Peoples Loan and Investment Co., Fort Smith, Ark.; Douglas Evans, Sample's, El Dorado, Ark.; Wallace Ferguson, Skelly Oil Co., Oklahoma City, Okla.; King Bostick, Merchants and Farmers Bank, Tulsa, Okla.; Charles Reno, Scruggs Vandervoort Barney, St. Louis, Mo.; and Jack Shields, Skelly Oil Co., Wichita, Kan. The National Director is Elton L. Jordan, Oklahoma Gas & Electric Co., Fort Smith, Ark.; and Alternate National Director is Roy E. Teter, Jenkins' Music Co., Oklahoma City, Okla.

District Eleven at Bakersfield

At the annual meeting of District Eleven held at Bakersfield, Calif., February 20-23, 1955, the following officers and directors were elected: President, Ray Edwards, Smith's, Oakland, Calif.; First Vice President, B. J. Delsman, General Petroleum Corp., Los Angeles, Calif.; Second Vice President, David K. Blair, H. Liebes & Co., San Francisco, Calif.; and Secretary-Treasurer, Lois Huitt, Bank of Berkeley, Berkeley, Calif. Directors: Donald Davis, Buffum's, Long Beach, Calif.; William Forman, Grodin's, Oakland, Calif.; Virgil Phillips, Golden State Co., Ltd., San Jose, Calif.; John Amos, Walker-Scott Co., San Diego, Calif.; Robert Wylie, Weinstock-Lubin & Co., Sacramento, Calif.; Mel Eastwood, Wayne's Dairy Drive-In, Bakersfield, Calif.; Joseph Lopez, Pacific Telephone & Telegraph Co., San Francisco, Calif.; Dewey Coates, Harry Coffee, Fresno, Calif.; W. H. Kleese, Columbia, Long Beach, Calif.; Glenn Ruddy, Credit Bureau of Tulare County, Visalia, Calif.; Janis Pappis, Harris Body Shop, Sacramento, Calif.; and P. L. Moore, Credit Bureau of Imperial County, El Centro, Calif. National Director is J. A. Koverman, Desmonds, Los Angeles, Calif.; and Alternate National Director is Gordon McNary, San Diego Trust & Savings Bank, San Diego, Calif.

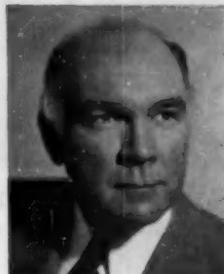
International Conference Speakers



Emmett J. Leahy



Paul M. Millians



Dr. Kenneth McFarland

EMMETT J. LEAHY, President, Leahy and Company, Management Consultants, New York, N. Y., was born in Washington, D. C. He attended Catholic University, Harvard University, American University, and the University of Pittsburgh. At present he is also chairman of the Task Force on Paperwork Management of the second Hoover Commission, establishing programs to reduce the 9,800,000 pieces of paper created annually by the Federal Government and to reduce the volume of paperwork and record keeping imposed on industry by agencies of the Government.

From 1935 to 1941 he was archivist on the staff of the National Archives, Washington, D. C., during which time he was assigned to Europe for a year to make a study of records and archives problems, office methods and records management for the United States Government. From 1941 to 1945 he was director of Office Methods, United States Navy, receiving a citation from the Secretary of the Navy for net savings in excess of \$21 million. In 1945-1947 he was national sales manager for the management consultant and microfilming divisions of Remington Rand. He developed the first complete system for indexing records on microfilm called Microdex. In 1948 he established the first records management training center at the Graduate School of New York University where he served as adjunct professor. In 1949 he founded his present firm.

The N.R.C.A. is delighted to have him address our annual conference on the subject, "Don't File It—Throw It Away," on Thursday morning, June 23, 1955.

PAUL M. MILLIANS, Vice President, Commercial Credit Company, Baltimore, Maryland, has a wide background of experience in business and government.

After study at the School of Commerce of Georgia Tech, he was in the United States Army from 1917 to 1919 and served as Disbursing Officer for the American Army in Paris. Following World War I he returned to Atlanta and was successively credit manager, treasurer, and vice president of a large manufacturing business. In 1934 he went to Washington as Director of the Budget, United States Shipping Board, where he remained until 1938 when he joined the Executive Department of the American Credit Indemnity Company, a subsidiary of Commercial Credit Company. In 1944, Mr. Millians was elected vice president of Commercial Credit Corporation, another subsidiary of Commercial Credit Company. In 1948 he was elected vice president of the parent company. Active for years in business and professional organizations, Mr. Millians was president of the Atlanta As-

sociation of Credit Men. He was national director of the National Association of Credit Men and, in 1933, was elected vice president of that organization. As chairman of its legislative committee, he worked with the Assistant Attorney General of the United States studying bankruptcy practices. Active in the fields of cost accounting, he was president, National Association of Cost Accountants, and his recommendations for cost and management standards for shipline operations made while he was with the Shipping Board were published in 1937. His background of study and experience and his present position with one of the country's largest commercial banking organizations have made him well received as a speaker before numerous organizations throughout the United States and Canada.

The N.R.C.A. is honored to have him address our annual conference on the subject, "A Look Ahead," on Wednesday morning, June 22, 1955.

DR. KENNETH McFARLAND, educational consultant and lecturer for General Motors, is a nationally known educator and speaker.

He is a native Kansan, a graduate of Pittsburg State College in Kansas; has a Master's degree from Columbia; and earned his Doctor's degree in Education at Stanford University. During his 24 years' experience as a school administrator he gained recognition as a leader in that field. The modern McFarland Trade School, which he designed and built at Coffeyville, Kansas, is named in his honor. His dynamic and practical philosophy of education has met with enthusiastic response from teachers and also students in teacher-training institutions. As a result, he probably has addressed as many important educational gatherings in recent years as has any other American. Because of his wide contacts which enable him to keep abreast of social and economic developments, he is in constant demand as a speaker for large business and civic groups. His lectures in meetings of management groups in General Motors are an important part of his service to that organization. To a limited degree he is sponsored by GM as a speaker for outside groups. He has his office in Topeka, Kansas, and lives with his family on his farm at the edge of town. By maintaining his headquarters in the center of the country, he can be in his office all day and practically any place in the United States or Canada the next morning.

The N.R.C.A. is happy to have him address our annual conference on the subject, "Timberline," on Tuesday morning, June 21, 1955.

Group Meetings

The various group meetings are always an outstanding feature of our Annual Conferences. They will be held on Tuesday, Wednesday, and Thursday afternoons from 2:00 P.M. to 5:00 P.M. A list of questions will be furnished at the meeting of each group and questions may be asked from the floor. The groups for this year's conference are:

Banking and Finance

Building Materials

Consumer Finance

Dairy and Baking

Department, Apparel and Shoe Stores

Furniture, Electrical Appliances, and Musical Instruments

Hospitals, Physicians, and Dentists

Newspapers and Publishers

Other Types of Business Not Specifically Listed

Petroleum

Public Utilities

The names of the Group Chairmen and Co-Chairmen will be announced in the May CREDIT WORLD.

Your Cooperation, Please

In fairness to the Conference Hotels and to our members, you are urged to notify the hotel at which your reservation was made not later than May 25, 1955, if you find that you cannot attend the International Consumer Credit Conference, Louisville, Kentucky, June 20, 21, 22, and 23, 1955.

In previous years, some cancellations were made just a week prior to the opening of the Conference. But worse still, others failed to show up and did not notify the Registration Committee. If you must cancel your reservation, please send a copy of the cancellation letter to Carson L. Bard, Credit Bureau of Louisville, 8th Floor, Marion E. Taylor Building, Louisville 2, Kentucky, so that rooms may be assigned to others and registration blank voided. Also send a copy of your letter to the National Office. Your cooperation will be appreciated by the Louisville Committee and by the participating hotels and associations.—*L. S. Crowder*.



Check type of membership, N.R.C.A. ACBofA C.W.B.C.ofN.A. Guest

Official Notice

To All Members of the National Retail Credit Association:

You are hereby notified that the 41st Annual International Consumer Credit Conference of the National Retail Credit Association will be held in the city of Louisville, Kentucky, June 20, 21, 22, and 23, 1955, for the election of officers and four directors at large, and the ratification of directors elected by the respective districts, also the installation of officers and directors and the transaction of such business as may properly come before the meeting.

Officers Whose Terms Expire:

President, William J. Tate, Ottawa, Ontario, Canada; First Vice President, Kaa F. Blue, New Orleans, Louisiana; Second Vice President, Wimberley C. Goodman, Dallas, Texas; and Third Vice President, Eldon L. Taylor, Ogden, Utah.

Directors' Terms Expiring in 1955:

The terms of the directors for Districts 1, 2, 3, 4, 5, 6, and 7, and four directors at large will expire at the Conference. The directors elected by Districts 1, 2, 3, 4, 5, 6, and 7 will be ratified and installed for two-year terms and four directors at large will be elected and installed for two-year terms.

L. S. CROWDER
General Manager-Treasurer

Attest:

ARTHUR H. HERT
Secretary

Educational Exhibits

The following companies will hold educational exhibits at the Louisville Conference:

Addressograph-Multigraph Corporation
Farrington Manufacturing Company
Bruce Fox, Wrought Metals
National Cash Register Company
Office Expeditors
Olivetti Corporation of America
Recordak Corporation
Remington Rand, Inc.

Conference Registration Blank

Louisville, Kentucky, June 20-23, 1955

Registration fee is \$15.00 for delegates, \$7.50 for members of the families and \$7.50 for guests of delegates.

Name _____

Firm _____

City and State _____

Will attend sessions of _____ Group _____

Date and Time of Arrival _____

My check is enclosed for \$_____

Make checks payable to Carson L. Bard, and mail to him in care of Credit Bureau of Louisville, 8th Floor, Marion E. Taylor Building, Louisville 2, Kentucky.

PROGRAM HIGHLIGHTS

41st ANNUAL INTERNATIONAL CONSUMER CREDIT CONFERENCE

The Kentucky Hotel, Louisville, Kentucky, June 20-23, 1955

Monday Afternoon, June 20 . . .

The Credit Workshop

Convention Hall, Kentucky Hotel
2:00 P.M. to 5:00 P.M.

Chairman, Kaa F. Blue, Foundation Plan, Inc., New Orleans, Louisiana, First Vice President, National Retail Credit Association

2:00 P.M.—“Credit Schools”

Sterling S. Speake, Retail Credit Specialist, National Retail Credit Association, Austin, Texas

2:15 P.M.—“Consumer Education—Navy Personnel”

David K. Blair, Credit Manager, H. Liebes, San Francisco, California

2:30 P.M.—Panel Discussion

Panel Members

Fred G. Cimmerman, Ben Wolfman, Inc., Houston, Texas

Ola Fayard, Maison Blanche, New Orleans, Louisiana

E. M. Gallagher, Lit Brothers, Trenton, New Jersey

R. F. Goldman, Hahn Furniture Company, Pittsburgh, Pennsylvania

Mrs. Jo Hubbard, Sterchi Brothers, Chattanooga, Tennessee

William H. Kleese, The Columbia, Long Beach, California

B. J. Lenihan, Time Finance Company, Louisville, Kentucky

Alex E. Maier, Jr., New Orleans Public Service, New Orleans, Louisiana

Mrs. Una Pearson, Pearson's, Fort Smith, Arkansas

Tuesday Morning, June 21 . . .

8:45—ASSEMBLY—CONVENTION HALL, Kentucky Hotel

COMMUNITY SINGING

9:00—CALL TO ORDER

Welcome to the Conference

William J. Tate, Assistant General Manager and Comptroller, Charles Ogilvy, Ltd., Ottawa, Ontario, Canada, President, National Retail Credit Association

INVOCATION—The Lord's Prayer

IN MEMORIAM

9:05—APPOINTMENT OF COMMITTEES:

CONSTITUTION AND BY-LAWS

RESOLUTIONS

CREDENTIALS

(Annual reports of the Officers and Finance, Legislative and Educational Committees will

be published in The CREDIT WORLD)

9:15—Greetings

Miss Marjorie Girton, Queal Lumber Company, Des Moines, Iowa, President, Credit Women's Breakfast Clubs of North America

9:30—“Helping Credit Customers”

Walter Graff, Credit Bureau of Lansing, Lansing, Michigan, President, Associated Credit Bureaus of America

9:45—Film, “The Good Things of Life—On Credit”

Produced by the University of Oklahoma for the National Retail Credit Association

10:20—REPORT OF THE NOMINATING COMMITTEE

10:30—“Debt Adjusters—Are They a Blessing or a Burden?”

B. J. Lenihan, President, Time Finance Company, Louisville, Kentucky

11:00—“Timberline”

Dr. Kenneth McFarland, Educational Consultant, General Motors Corporation, Detroit, Michigan

12:00—NOON—INTRODUCTION OF:

REPRESENTATIVES OF EXHIBITORS

12:15 P.M.—ANNOUNCEMENTS AND ADJOURNMENT

Wednesday Morning, June 22

9:00—ASSEMBLY—CONVENTION HALL, Kentucky Hotel

COMMUNITY SINGING

9:15—RECONVENE

REPORTS OF COMMITTEES

CONSTITUTION AND BY-LAWS

CREDENTIALS

9:30—Panel Discussion, “Credit Problems”

Moderator, Wimberley C. Goodman, Secretary and Credit Manager, Reynolds-Penland Company, Dallas, Texas, Second Vice President, National Retail Credit Association

L. A. Brumbaugh, Valley National Bank, Phoenix, Arizona

M. E. Clark, Geo. Innes Co., Wichita, Kansas

B. C. DeLoach, Loveman, Joseph & Loeb, Birmingham, Alabama

Frances M. Hernan, Massachusetts General Hospital, Boston, Massachusetts

H. Leslie Hulme, Aluminum Goods, Ltd., Toronto, Ontario, Canada

W. F. Streeter, Boutell's, Minneapolis, Minnesota

Eldon L. Taylor, Glen Bros. Music Co., Ogden, Utah

11:00—ELECTION OF OFFICERS

11:15—"The Look Ahead"

Paul M. Millians, Vice President, Commercial Credit Company, Baltimore, Maryland

12:00—NOON—ANNOUNCEMENTS AND ADJOURNMENT

Thursday Morning, June 23 . . .

8:45—ASSEMBLY—CONVENTION HALL, Kentucky Hotel

COMMUNITY SINGING

9:00—RECONVENE

Action on Final Report of Committee on Constitution and Bylaws

REPORT OF RESOLUTIONS COMMITTEE

9:15—Panel Discussion, "Make It Easy to Say 'Charge It'"

Moderator, Francis W. Smith, President, Credit Bureau of Salem, Salem, Oregon, Vice President, Associated Credit Bureaus of America

Dean Ashby, Credit Manager, The Fair, Fort Worth, Texas

William Fluegel, General Manager, Iowa Adjustment and Credit Bureau, Cedar Rapids, Iowa

LaVerne C. Fox, Manager, Credit Bureau of Flint, Flint, Michigan

J. C. Gilliland, Assistant Vice President, Pull-

man Trust & Savings Bank, Chicago, Illinois

A. J. King, Controller, Kennard-Pyle Company, Wilmington, Delaware

Donald H. Puffer, Secretary-Manager, Credit Bureau of Greater Denver, Denver, Colorado

Louis Williams, Credit Manager, W. & J. Sloane, San Francisco, Calif.

10:30—"Don't File It—Throw It Away"

Emmett J. Leahy, President, Leahy & Company, Management Consultants, New York, New York

11:15—ANNUAL AWARDS

Marjorie Girton, President, Credit Women's Breakfast Clubs of North America

Introduction of Officers, Credit Women's Breakfast Clubs of North America

International Achievement Awards

Harold A. Wallace, Executive Vice President, Associated Credit Bureaus of America, St. Louis, Missouri

Introduction of Officers, Associated Credit Bureaus of America

Membership Awards

Lindley S. Crowder, General Manager-Treasurer, National Retail Credit Association, St. Louis, Missouri

12:15—INTRODUCTION OF OFFICERS, NATIONAL RETAIL CREDIT ASSOCIATION

ANNOUNCEMENTS AND ADJOURNMENT

CREDIT WORLD BINDERS

THESE NEW BINDERS, which we have recently purchased for our Members, are the pamphlet type with stiff blue fabrikoid covered sides and the words "The CREDIT WORLD" lettered in gold on the backbone. Each Binder will hold twelve issues. There is an individual wire for each issue which can be easily inserted. Every member should have one of these Binders for each volume or each year.

THESE BINDERS may be kept on your desk or in your bookcase for ready reference. When you have this Binder at your finger tips you do not have to fumble around for your CREDIT WORLD for last November. It will be there with all the other current copies. Order one today while you have your issues for 1954 still available.

ONLY \$3.00 POSTPAID

NATIONAL RETAIL CREDIT ASSOCIATION

375 JACKSON AVENUE

ST. LOUIS 5, MISSOURI

What Is the Most Important Credit Problem for 1955?

Opinions of Credit Executives

Nineteen fifty-four was good for business and more credit was extended than ever before in the history of our country. It was in proportion to our national income and still reflects a healthy year. Because business has been good and the outlook for 1955 is even brighter, there is a tendency to relax credit requirements and terms. In the event of a slump or depression we will still have a lot of credit open on the books without ability to repay. The big problem, therefore, for 1955 will be to watch carefully the selection of credits and the restrictions of terms.—Cynthia M. Adkins, Universal Auto Credit Corporation, Huntington, West Virginia.

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I believe the major credit problem in 1955 will be the 'spacing' out of consumer debt to, say, 30 to 36 months instead of 18. People are sometimes allowed to buy more than they should in a highly competitive situation, and subsequently find themselves getting into debt a little too much, which could be dangerous in case of a slow-up in general business conditions. It is never wise to extend credit just to stimulate sales. Terms can be stretched too thin for safety.—Elsie P. Ferris, Galigher Motor Sales Company, Huntington, West Virginia.

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The most important retail credit problems for 1955 are: collections, unemployment, sales promotion, training employees, organization, more credit sales administration, economic adjustments, returns (both merchandise and profits), and service. Canadian business in 1955 will probably travel a somewhat smoother road than in 1954, but basically the year ahead looks to be much the same as the one which has just ended. There seems to be a tendency to subscribe to the thinking that conditions in the United States, with which our own Canadian economy is so closely tied, have recently shown quite definite signs of improvement, including a rise in industrial production and manufacturers' unfilled orders along with a sustained level of retail sales. While these items may not have an immediate effect in the Canadian manufacturing industry, in which the greater part of current unemployment is concentrated, it augurs well for the primary industries. The amount of money that Canadians owe for the things they buy on credit has reached an all-time high, but it is comforting to note that so far the country's economists have not expressed any grave concern, so that it is generally conceded that there is justification for the continuing increase in credit outstandings to match the growth taking place in other phases of economic activity. The perennial problem still remains, that of continually improving human relationships toward both customers and personnel.—E. P. Ford, The Robert Simpson Montreal, Ltd., Montreal, Quebec, Canada.

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The continuing transition from an economy substantially supported by government spending to one more dependent on private spending has resulted in increasing unemployment for the unskilled, aged, and other borderline personnel, plus reduced employment for others. In turn, the problem of collecting from these groups has become more difficult. To maintain sales without increasing losses, credit departments will need to investigate applicants more thoroughly. More bureau reports and fewer 'eyeball approvals' are indicated. Overloading, by customer or merchant, must be guarded against. More weight must be given to the answers to 'Will he pay?' and 'Can he pay?' than to 'Can we make him pay?'—J. C. Gilliland, Pullman Trust & Savings Bank, Chicago, Illinois.

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Nineteen fifty-five will not present us with any problems we have not met in previous years. The fact that a problem exists makes it extremely important in itself, and I do not attach any greater or lesser degree of importance to the many problems that confront us as managers of credit sales. Each problem requires careful, individual consideration and handling—their collective solutions resulting in the successful operation of our departments and contribution to a sound and profitable

business structure. The general expression of confidence and optimism for increased business in 1955 from all quarters is most gratifying; particularly since many have been slow to acknowledge our graceful conversion from a false war-time economy to a prosperous peace-time economy. We in the great Southwest are unusually fortunate because of extensive industrialization and accompanying economic rise. With business back on a keenly competitive basis, we are planning aggressive promotional campaigns, and looking forward to the biggest year ever!—Jerry Lee Gombold, Plantowsky Furniture Company, Galveston, Texas.

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1. 'The increasing need for credit in the fields of medicine, dentistry, surgery, and hospitalization.' This is borne out by the large increase in the number of hospitalization insurance companies who are attempting to meet the needs of the people for credit by prepayment plans. The greatest move toward solving this problem has been, of course, by Blue Cross and other related prepayment plans. A current problem exists, however, and that is the inability of many people to pay the difference in the total cost and the amount covered by insurance. 2. 'Who should pay for the medical indigents?' The general opinion seems to be that the greater share of this burden should fall upon local shoulders; however, I think we need to educate the public to the fact that there are two main parts to the 'Good Samaritan' story. The first part is bringing the person in need to the proper authorities, and the second is that of providing for that person in need after he has been presented to the proper authorities.—O. R. Hurst, The Baptist Hospital of Southeast Texas, Inc., Beaumont, Texas.

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Credit sales promotion is one of the most important retail credit problems for any year. Selling merchandise and selling credit go hand in hand and one is dependent upon the other. Our job is to promote the sale of as much merchandise and service as possible at a profit. Today, our customers can buy identical merchandise in almost any store in the country. We cannot sit back and wait for the customers to come in and buy; we must advertise through the various mediums at our command and promote credit service to the fullest extent. There does not seem to be a set formula covering sales promotions and for this reason more discussions should be devoted to this subject in our regional and district meetings. Exchange of ideas would be most profitable to all credit sales managers regardless of the size of their store.—Jack P. Lee, Frankenberger's, Charleston, West Virginia.

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The prospect for a bumper year in 1955 looks good; 1954 was a year to take stock of our organizations and to make the changes necessary to bring our procedures up to date. This year we should gear our offices to help take care of the anticipated increase in business. We should do everything we can to welcome new customers, speed up the opening of new charge accounts, and sell the maximum use of credit to all of our old and new customers. We are just scratching the surface on the ways of using credit. I believe the next five years will show a tremendous increase in its use. We must meet this challenge by developing new ways and means to show the American people why and how they should and can use credit. We must not be satisfied with our present methods. When new methods are found they should be put in the hands of the credit granters, so our industry may keep up with the industrial expansion of our country. Our trade association should develop a research group to help correlate the information and present it to our members for their use. I know this sounds like a big job, but we should be looking to the future the same as other trade associations.—N. W. McGinty, Credit Service Company of Billings, Billings, Montana.

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There are several problems facing the retail credit manager this year, but two appear to be most important. First, the ever present problem of maintaining a high collection percentage with increasing credit sales. This year will, no doubt, again produce a considerable amount of competition not only for sales, but for the collections which have to be made after the credit sale has been made. When dealing with customers who have over-

extended themselves or who are living on reduced incomes, the firm with the best-trained personnel and the most aggressive collection program will keep this collection percentage high and still maintain good public relations. Second, the apparent lack of knowledge the average person has as to the value of maintaining a high credit standing and how to do it. This is especially true of younger customers, and even with the educational programs that have been started, only a few of this group of people have been reached. In these days of increased sales activity and liberal credit terms, the chance of overbuying is ever present. The customer should be educated to the responsibilities of credit buying, both by mass methods and by individual credit men. A few moments spent inquiring into a new customer's capital and capabilities, and advising him on the value of self-controlled credit buying and prompt payment of bills, will come back to your firm many times over in the form of satisfied customers with prompt paying records.—W. E. Olson, Minnesota Power & Light Company, Duluth, Minnesota.

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The most important problem in 1955 will be how to realize more credit sales. Credit sales managers must approach this problem with an aggressiveness and enthusiasm enkindled by the knowledge that their potential is great indeed, through their active accounts receivable and inactive accounts. There is also a source of new accounts that can be obtained through cash sales by inviting those people to be credit customers. The society pages, marriage licenses, birth records should all be followed closely, and there are ways of obtaining the names of all new families moving into a new locality. 'Silent Interviewers' spaced strategically throughout the store should invite all those passing by to fill out an application for a charge account. There are special sales that can always be held by using an up-to-date mailing list and there is no finer way of creating more plus business for your firm than by this type of promotion. Sales and credit executives should work close together and, with the aid of management, possibly find ways and means of tapping the low-income market in order to increase sales. That market has the greatest potentiality in our entire economy and, if we pride ourselves in creating our present standard of living through the use of credit, then we should make every effort to increase credit sales by giving that segment of our population an opportunity to enjoy those things that can be bought on credit, which will make their lives full and much happier. These people are fundamentally as trustworthy as can be. Our problem is to find the answer on how to open that market to our business.—W. F. Streeter, Bou-tell's, Minneapolis, Minnesota.

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The most important problem in 1955 will be one that has actually been a 'pet' problem to credit managers for years: to prevent people with good credit records from overbuying. As standards of living continue to rise, this becomes more serious. It is hard for consumers to resist 'easy' credit terms and as a result they are overindulging in instalment buying. Nineteen fifty-five will call for carefully trained credit personnel, as it will require thorough screening of each application to increase sales and profits. A good credit manager must always be salesminded but at the same time must understand the problems of overbuying.—Virginia Withers, The Fair, Inc., Huntington, West Virginia.

Opinions of Bureau Managers

First, I would like to predict retail business in general, in 1955, will be every bit as good as in 1954. However, as each new year approaches, we must be aware of its challenges. One method many progressive businesses use in accepting the new year's challenge is a comprehensive plan for 1955. With credit at an all-time high, and still growing, we in business must devote considerable time to a plan which will include the complete credit operations of our firm. Such a credit plan should include:

1. Public relations within our organization as well as with the credit consumers.
2. Credit sales promotion. Make it easier for the public to buy on credit, then train your sales personnel to sell the credit facilities available.
3. Proper credit censorship. Use your credit bureau. Remember your judgment is no better than your information.
4. Collection follow-up. Use your collection service member, combined with your own facilities for an effective and systematic method of collection procedure.

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Now let us add the frosting to our plan. The frosting should be made from a recipe of tact, understanding, and sound business logic. With 1955 in its early stages, let us cultivate our plan so it will blossom into the best year ever. Remember that merchandising plus sales plus credit equal profits. The rest is up to you. I dare you to make 1955 the best.—C. A. Schaffer, Credit Bureau of Mason City, Inc., Mason City, Iowa.

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Competition for the consumer dollar probably will be greater in 1955 than ever before in the history of the nation. Credit will be used as a marketing vehicle to achieve greater sales goals. In such an era, caution and restraint will be necessary in the selection of risks, to keep accounts receivable sound and avoid the increased collection and bad-debt expense which results from poor credit control. Credit granters will have their work cut out for them, and expert generalship in handling operations and personnel will be needed to produce good results.—R. M. Sevora, Credit Bureau of Greater New York, New York, New York.

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Competitive prosperity seems to be the general forecast for business in 1955. With increased competition there is created demand for handling applications for credit more quickly. Credit granters and credit bureaus will have a serious problem in setting up the interchange of credit information so that customers may be served more promptly. Unless this is done, more chances will be taken by credit granters, and losses will be heavier and collections slower.—Robert G. Trosper, Credit Bureau of Greensboro, Greensboro, North Carolina.

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The problems of the credit manager in 1955 should be no different from those of 1954. Full employment can be expected in 1955, particularly in our area. Good wages will be paid and the prospect is that there will be approximately a 5 per cent increase in wages in 1955 over 1954. The year 1955 should be a year in which the credit manager can develop new business and more business than in 1954. The Douglas Aircraft Company estimates it will raise its employment to 30,000 and there is indication that the number of persons employed at the Douglas Aircraft Company will be permanent. These people will buy homes, furniture, and other necessities. Several million dollars' worth of new construction of buildings and dwellings are in prospect for 1955. The credit manager who is on his toes and on the lookout for new business and more business has a golden opportunity to achieve that in 1955. The credit manager should beware of extending credit based on overtime of the applicant. Overtime is not permanent and is discontinued at the first opportunity and cannot be relied upon to pay debts. The credit manager should beware of extending credit on the basis that the husband and wife are both employed, particularly where the husband and wife have small children. If the children get sick or require the wife to stay home, she usually quits her job. A wife with small children is not a good credit prospect as her employment would be indefinite and uncertain. Another problem that confronts the credit man is the disposition on the part of some buyers to overbuy or secure credit beyond their ability to pay. This can be corrected by making a close check with the credit bureau and securing a credit report. It is also suggested when credit is extended that the bureau be notified immediately so that the proper notation may be put upon their records. Also, if an account becomes past due for a period of four months, proper collection service should be given to the account, as usually when the debtor owes one account long past due he is at the same time trying to secure additional credit so he can use his money to pay the long-past-due account.—W. D. Woolley, Adjustment Department, Credit Bureau of Tulsa, Tulsa, Oklahoma.

CREDIT FLASHERS

New Use of N.R.C.A.'s Booklet

George C. Wolf, Vice President, General Tire Acceptance Corp., Akron, Ohio, through their branch office in San Francisco has suggested that all of their branch offices purchase a supply of N.R.C.A.'s booklet "The Good Things of Life—On Credit." He suggested that one could be given to a buyer when the account has been approved; enclosed with the customer's account book; or with a collection notice or collection letter.

George A. Scott Honored

George A. Scott, president and general manager, Walker-Scott Company, San Diego, California, was awarded a plaque by the National Retail Credit Association in recognition of his contributions to the organization. The presentation was made at the regular quarterly meeting of the Merchants Credit Association of San Diego, January 28, 1955, by Fred L. Train, general manager, who is shown on the left in the picture below. The plaque contained a resolution of appreciation which read as follows:

WHEREAS, in one of the most outstanding and dynamic addresses ever made before a conference of this Association, the achievements of the National Retail Credit Association were recognized by George A. Scott, president and general manager, Walker-Scott Company, San Diego, California; and

WHEREAS, to encourage the further development of the objectives of the Association, Mr. Scott in that address announced a gift of \$5,000.00;

NOW, THEREFORE, BE IT RESOLVED that the contribution of Mr. Scott be accepted by unanimous vote of the members attending this 40th Annual International Consumer Credit Conference of the National Retail Credit Association held at San Francisco, California, July 22, 1954;

AND BE IT FURTHER RESOLVED that as a token of appreciation of the generous contribution made by him, he is hereby elected an Honorary Life Member of the National Retail Credit Association.

In his acceptance remarks Mr. Scott stated that he was most appreciative that the N.R.C.A. recognized his contribution to the work and objectives of the organization. The board also felt happy that one of their citizens was so honored.



Coming District Meetings

District One (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont and Quebec, New Brunswick, Newfoundland, Nova Scotia and Prince Edward Island, Canada) will hold its annual meeting at the New Ocean House, Swampscott, Massachusetts, April 24, 25, and 26, 1955.

District Three (Florida, Georgia, North Carolina and South Carolina) and **District Four** (Alabama, Louisiana, Mississippi and Tennessee) will hold a joint annual meeting at the Tutwiler Hotel, Birmingham, Alabama, April 17, 18, 19, and 20, 1955.

District Eight (Texas) will hold its annual meeting at the Buccaneer Hotel, Galveston, Texas, May 22, 23, and 24, 1955.

District Nine (Colorado, New Mexico, Utah and Wyoming) will hold its annual meeting in Casper, Wyoming, May 15, 16, and 17, 1955.

District Ten (Alaska, Idaho, Montana, Oregon, Washington, Alberta, British Columbia and Saskatchewan, Canada) will hold its annual meeting at the Vancouver Hotel, Vancouver, British Columbia, Canada, May 21, 22, 23, and 24, 1955.

You Can Help In This Matter

Several communities have made good use of federal financial aid in promoting local credit schools. This aid has come from funds made available by the federal government for Vocational Education of which Distributive Education is a part. Other divisions are Home Economics, Agriculture, and others.

We believe that Distributive Education is as important as the other phases of the Vocational Education program. However, wherever reductions are made in the total appropriation, Distributive Education appears to bear the greatest cut. In our opinion, funds for Vocational Education should be allocated on an equitable basis.

Last year the amount allocated to Distributive Education was \$900,000.00, which, of course, is a substantial sum, but not substantial enough in view of the fact that \$23,498,261.00 was appropriated for Vocational Education in general. Let us do something about it.

The Labor, Health, Education, and Welfare Subcommittee of the House Committee on Appropriations is composed of the following members: Representatives John E. Fogarty, Rhode Island; Antonio M. Fernandez, New Mexico; Henderson Lanham, Georgia; Winfield Denton, Indiana; John Taber, New York; Millet Hand, New Jersey; and Ben Jensen of Iowa. If one of these represents your district, you are urged to write to him at once and ask that Distributive Education be given an equal share of whatever funds are appropriated for Vocational Education.

If your district is not represented on the Subcommittee, we suggest that you write to your Representative and ask him to speak to a committee member. Give him a

Motion Picture Now Available

It is with pride and satisfaction that we announce the completion of an important consumer education project. The National Retail Credit Association is now making distribution of a 16mm motion picture film entitled "The Good Things of Life on Credit." In 26 minutes of attention-holding drama of family life with professional narration the story of consumer credit is presented. Every local retail credit association, in cooperation with the credit bureau, should own a copy of this film and exhibit it as often as possible to all kinds of audiences. Write to the National Office for details.

list of members. Emphasize the point that Distributive Education is urgently important and should receive equal consideration with other forms of Vocational Education. Please understand that we are not asking for federal aid but simply pointing out that if funds are appropriated for Vocational Education, Distributive Education deserves equal treatment.

Tri-City Credit Meeting

One of the biggest credit meetings ever held in east Tennessee occurred at Johnson City, Tennessee, Monday, March 14, 1955. Credit executives from six Upper East Tennessee cities and Boone, North Carolina, attended. Bristol, Kingsport, and Johnson City sponsored the meeting. The speaker was W. J. Cheney, Executive Vice President, National Foundation for Consumer Credit, Washington, D. C. He was introduced by Frank Edmonds, Manager, Credit Bureau of Johnson City, Tennessee. Taking part in the program were Fred P. Entler, Bristol; C. S. LaRue, Knoxville; Robert F. Beck and J. H. Varnell, both of Johnson City. The role of credit in an expanding economy was stressed by the speaker. Credit granters were urged to take an active part in credit sales programs entered into by their stores and firms.

District Twelve at New York

At the annual meeting of District Twelve of the National Retail Credit Association held in New York, New York, February 13-15, 1955, the following officers and directors were elected: President, J. P. Lee, Frankenberger & Co., Charleston, W. Va.; Vice President, Marcella Adamitz, Credit Bureau, Inc., McKeesport, Pa.; and Secretary-Treasurer, Joseph A. White, Harris Stores Co., Pittsburgh, Pa. Directors: Robert Cook, Storms Health Shoes, Wilmington, Del.; John Lurz, O'Neill & Co., Baltimore, Md.; Louise Walker, L. Herman, Danville, Va.; John K. Althaus, The Credit Bureau, Washington, D. C.; John A. Wagner, First Fidelity Credit Corp., Pittsburgh, Pa.; Joseph W. Greer, Hartley's, Fairmont, W. Va.; Willard Pool, The Diamond, Charleston, W. Va.; Eva Shepard, The Hecht Co., Washington, D. C.; and Clarence E. Wolfinger, Lit Brothers, Philadelphia, Pa. National Director is A. J. King, Kennard-Pyle Co., Wilmington, Delaware and Alternate National Director is Robert L. Bruchey, The Hecht Co., Baltimore, Md.

Farrington Promotes V. E. Wentworth

Vincent E. Wentworth has been appointed to the newly created position of Sales Manager of the Identification Division, Farrington Manufacturing Company, Boston, Mass., according to W. L. Brian, Manager of the Division. Farrington is the developer of the "Charga-Plate" credit identification system used in nearly 700 department stores and the "Charga-Matic" system used in service stations throughout the United States and Canada. Mr. Wentworth recently rejoined the Company as a sales executive with the Identification Division, a branch of the business with which he was connected from 1936 to 1946. In his new position he will be engaged in the supervision of all sales activities of the Farrington credit and identification systems.

Annual Meeting at Spokane

Over 200 credit men and women attended the 44th Annual banquet of the Spokane Retail Credit Association, Spokane, Washington, recently. The following officers and directors were elected: President, Lester M. Peuck, Emry's Ltd., & Brooks; Vice President, Gale Beard, Barton Auto Co.; Treasurer, William E. Phillips, Barclay-Brown; Secretary, N. M. MacLeod, Credit Bureau of Spokane; and Assistant Secretary, Melvin T. Warrick, Credit Bureau of Spokane. Directors: Glen V. Humphries, Spokane and Eastern Branch, Seattle First National Bank; C. R. McCabe, True's Oil Co.; Walter L. Fatur, E. S. Burgan & Son; Joyce Tobyn, Lincoln First Federal Savings and Loan Association; Marc Curry, Diamond Ice and Fuel; and Franklin Newman, The Crescent.

Mr. Peuck is controller and credit manager of Emry's Brooks and the Star Clothing Company, Yakima, Wash. He is a native of Cheney Washington and attended Cheney High School and Eastern Washington College of Education. He is also a graduate of Kinman Business University. A veteran of three years with the Marine Corps during World War II, he was vice president and treasurer of the association in 1954.

Have You Changed Your Address?

If so, you can ensure delivery of The CREDIT WORLD to the correct address by filling in this form and mailing it to National Retail Credit Association, 375 Jackson Avenue, St. Louis 5, Missouri.

Name _____

Old Address _____

New Address _____



Building Materials

QUESTION

Can members of the Building Materials Panel give me any ideas or suggestions about the use of the telephone in collection work?

ANSWERS

Mrs. Dorothe Bolte, Lyons Bros. Lumber & Fuel Company, Joliet, Illinois: The use of the telephone in collection work is of definite value. It is time-saving, for while a letter is being dictated, transcribed and mailed, several phone calls can be completed. Of even greater importance is the fact that the customer has given you an answer which can be recorded for systematic follow-up. The telephone also provides a medium for a more personal approach. In many instances we never get to see our customer. An order is placed by phone, delivered by a driver, invoice mailed and remittance to cover received by mail. The telephone affords an opportunity for getting a more comprehensive picture of the customer's status than a letter contact. In conversation, often the customer will divulge information which he would not be inclined to take the time to write, and this in turn gives the credit department an opportunity to re-appraise the account and in some instances offer suggestions which are beneficial to the customer and effect payment for the firm.

B. F. Collins, Warner Hardware, Minneapolis, Minnesota: Next to a personal call, contacting a debtor by telephone is the most effective. However, customers should not be contacted by telephone until they have had an opportunity to respond to a statement, notice, or letter. Excellent results can be obtained by telephoning the 'accounts payable' bookkeeper for the large contractors who have an office organization. In telephoning the smaller contractor, it is necessary to call him personally and usually these contacts must be made during the evening or on Saturday, as most of the day he is out on the job where he cannot be reached by telephone. Long-distance telephone service should be used on out-of-town accounts whenever the amount of the account involved warrants the cost of the call.

J. M. Dean, Building Material Dealers' Credit Association, Los Angeles, California: Collection of accounts receivable by telephone can be very effective, or it can be wasted effort. The approach of the telephone collector depends to a great extent upon the policy of the company he represents. Telephone collectors can be successful in securing the money and also be an outstanding builder of good will. The telephone collector must have a pleasing personality and a receptive voice,

be fully conversant with the account he is endeavoring to collect, the merchandise that was sold, the method of billing, discounts, and everything that goes into making up the balance owing. Further, the collector must have a knowledge of the customer he is talking to and the line of business he is in. He must have a knowledge of that customer's past performance and be able to discuss the matter in the customer's language and meet him on his own level at all times.

Telephone contacts cost very little compared with personal contacts. The most successful contacts with contractors are made before they leave for the job in the morning, or after they return home at night. It is usually difficult to contact the contractor on the job. We have found it very successful to pay the employee's home telephone bill or expense and permit him to make contacts directly from his home. The margin of profit today is so small it is seldom that a business house can afford to make personal contacts when following collections.

Harold A. Lambert, Burton Lumber and Hardware Co., Salt Lake City, Utah: There is no question about the value of the telephone in collection work. It is important, however, to contact the right person, particularly at the right time and place. If it is an obligation of his business or the person is a professional man and has an office, it is a good policy to make the contact during business hours at his office. The approach over the phone should be as diplomatic as a personal encounter. If the debtor is an ordinary customer, the home is the proper place to call—but during the time he is home. It is not always good to deliver the message, even to the wife, if he is not home because often the reaction to this is unfavorable. Most men prefer to be recognized, especially about their obligations.

Dairy and Baking

QUESTION

I would like the members of this panel to tell me what information I should have concerning a newcomer to the community before extending credit.

ANSWERS

Wilson C. Fox, The Babcock Dairy Company, Toledo, Ohio: In the dairy business we actually know very little about a customer at the time that he is secured. The salesman, in most cases, even makes one delivery to the customer before the account is turned in to make a new sheet for the route book. No credit report is secured on any customer unless the customer wants an office charge to run for 30 days. The amount of credit is left entirely to the discretion of the sales supervisor.

We use a service on people transferred from out of the city, but this covers a small percentage of our new customers. In this way we know their employment, number and ages of children, kind of car, whether they rent or have bought property, references to other charge accounts, etc. This gives us a good picture but does not give us any credit experience. We could not hold up service to the customer while a credit investigation was being made because we are in a competitive field. I find that practically this same condition exists among public utilities that are thought of as having no competition.

W. E. Menzenwerth, St. Louis Dairy Company, St. Louis, Missouri: The salesman is privileged by company policy to grant two weeks' credit to all applicants. In all probability, the "newcomer" will be running "charge" deliveries before the credit department receives the application for approval. Very seldom do the dairy credit men see or speak to the new applicant; service, products, and paying arrangements are established by the salesman when he interviews the customer. He presents the new customer with a simplified credit application card and informs the customer that the card will be given to the office for preparing a stencil account plate and approval of the requested terms. The credit card application makes the following requests of the new customer: name, address, former address, occupation, company employer, charge accounts with local and out-of-town stores, terms, that is weekly, semi-monthly or monthly. This information is sufficient to develop a decision on the control of consumer dairy credit.

V. W. Phillips, Golden State Company, Ltd., San Jose, California: Before extending credit to a newcomer or any new customer I like to know two things—stability and ability to pay. In order to determine these I ask the customer the following questions:

1. Place of employment.
2. Position.
3. How long in present position.
4. Renting or buying home.

The newcomer may have changed employment, in which case it will be necessary to check previous employment. Employment may be checked either by phone or by letter. I also consider the neighborhood the customer is living in. Knowing these facts makes it fairly easy to determine how much if any credit should be extended.

W. A. Schenk, Ideal Pure Milk Company, Inc., Evansville, Indiana: Competition in the milk business is so keen today that most milk salesmen will start serving newcomers immediately, if they look reasonably good. If they only want weekly, or perhaps semi-monthly, credit, not too much information is necessary. A great deal depends on the location, what part of the city, etc., where the customers live. If they want monthly credit and the bill will run reasonably high, the following information should be obtained by the salesman:

1. The full name and address, that is the given name, middle initial and the surname, and the wife's given name.
2. The present occupation, place of employment.

3. What city they came from and former employment.

With this information you can call your local credit bureau who, in turn, can get a credit rating on your customer from the credit bureau in the city where the customer formerly lived. Do not take a chance; play safe; you can always be sure if you call the credit bureau.

Harry N. Taylor, Beatrice Foods Co., Tulsa, Oklahoma: It is the policy of our Tulsa branch that all new accounts furnish the following credit information: correct name, correct address, place of employment or business, how long employed, former place of employment, how long in the city, if resident of the city less than three months, state previous address; then we require names and mailing address of two relatives, regardless of where they reside. Once this information is obtained and the credit department has approved the information, the employment or business is verified, also the length of time they have been employed. After the credit is approved, the card is filed for future use. This is in line with what we require on all accounts, but on newcomers we are most strict that all information asked for is completed.

Department, Apparel, and Shoe Stores

QUESTION

How can we keep up or increase our credit sales volume, maintain our standards of service, and at the same time reduce our costs?

ANSWERS

David Blair, H. Liebes and Company, San Francisco, California: Cost reduction in the face of increased volume can be realized only by careful study and reorganization of operating techniques. Most departments can shoulder the burden of increased volume without increasing expenses if sufficient thought is given to the elimination of unnecessary operations and to increasing the efficiency of the clerical staff. Would recommend making a thorough job analysis of the credit department to be followed by a critical survey of the results. If it is not necessary, stop it. If it can be done more easily or more quickly, do it that way.

C. D. Hill, The M. M. Cohn Company, Little Rock, Arkansas: The question is intricate and difficult to answer. Three separate and distinct parts are necessary of development.

Part No. 1: "How can we keep up and increase our credit sales volume?" In this highly competitive period, maintaining and increasing credit sales volume can be done only by constantly pursuing every avenue which will provide new charge customers. Every newspaper published in our city is checked closely in our credit department for new prospects. Every new list of civic club members is checked against our active accounts immediately upon receipt. Chambers of Commerce Bulletins, news items in the daily papers regarding newcomers to our trade territory are checked carefully, and immediately the accounts of newcomers are solicited, and when these accounts are not opened within a reasonable time after solicitation, follow-up letters are mailed and other

possible means of opening the accounts are pursued. House numbers of streets in the better-class neighborhoods, as shown by our City Directory, are checked against active accounts to determine residents who are not customers of our store, and, what has been proved to be a most important feature, our interviewers are trained so that, if at all possible, accounts are immediately opened at the time the customer is in the store. This is most important, for often after an application has been filed, if the account is not opened, the customer is lost.

Part No. 2, "How can we maintain our standards of service?" Our store appeals to the better-class customer, although we encourage and have many customers on our books such as telephone girls, or girls otherwise employed, who like to wear fine clothes. Because we do appeal to the better-than-average customer, we must maintain a high standard of service. This we do by constantly encouraging through a continuous training policy the development of the greatest possible efficiency in our employees, and especially those in our department of accounts, are alerted and trained to perform their duties more efficiently and with a more genuine feeling of helpfulness in contacts with our customers. Proper training of employees, or a continuous policy of explaining a better way to do it, must never be disregarded, and through such a policy we are able to maintain what has proved to be a satisfactory standard of service.

Part No. 3, "How can we reduce our costs of operation?" Only the assignment of work so that each employee will carry his full share of necessary detail can

make possible the holding of the line so far as operating costs are concerned. I believe that our organization is doing this when one considers that last year the net payroll expense in our department of accounts, which includes a lay-away department doing a very substantial business, was .99 per cent of charge sales. It is difficult in this day of rising costs of every service to maintain such a percentage, and yet we did it.

The seeking of a better way to do it will constantly produce better results. I have in mind a previous policy in our department of having one full-time employee engaged in the analysis and preparation of collection cards on delinquent accounts. During that period when delinquent accounts were frozen by government order we developed a plan whereby accounts that will become delinquent on maturity date if not paid are now determined at the time statements for the month are pulled for mailing, hence, the saving of the salary of one rather expensive employee. I might add that we are still on the conventional system of posting.

Miss Marion A. Leleu, Brown-Dunkin Company, Tulsa, Oklahoma: The best way to increase credit sales volume is for the merchandise departments to have the kind and type of merchandise that the customer wants when he or she wants it. At the same time, the credit department should offer adequate credit terms to meet the customer's needs with a policy so flexible that it will take care of the rich and poor alike so long as they are honest. As to reducing office costs, I find if a specific study is made of every expense in the department, particularly salary costs, it is possible to make



CREDIT BUREAU

We have YOUR NAME
in this "Who's Who"

As a member of the Credit Bureau we are called upon to report, at frequent intervals, the credit standing of our customers. This report is available to every merchant or professional man who is a member of the Credit Bureau.

Your account with us at the present time is PAST DUE. To maintain a good credit record, you should make a payment NOW or arrange for an early settlement.

Name _____

Owed to _____

Balance \$_____ Past Due \$_____

Date _____

Guard Your Credit as a Sacred Trust

Reluctant Dollars

Merchants and professional men can bring in **reluctant dollars** by using the tested Collection Insert shown here. Prepared at the urgent request of our members, it has a definite tie-in with the credit bureau. Not only does it turn past-due receivables into cash, but it is an effective means of educating the general public to pay bills promptly.

This is another success number in our series of Collection Helps. The size is three inches by five and one-half inches and it is printed in dark green ink on canary bond stock. Only \$3.00 per thousand.

NATIONAL RETAIL CREDIT ASSOCIATION
375 Jackson Ave. **St. Louis 5, Mo.**

reductions here and there. As to salaries, the same number of persons can often handle more work if each is trained to do at least three or more specific jobs. Then, if one individual is not too busy she can help out in other sections of the office. By bringing some employees in earlier in the morning, they are able to accomplish routine jobs better than after the store opens and the phones begin to ring and the confusion starts. A trained "floater" staff of former employees who can be called in for specific events has proved to be a tremendous value to us.

Kenneth Oetzel, Boyd's, St. Louis, Missouri: We can keep up or increase our credit sales volume only through an aggressive sales promotion program. New plans must be offered to get new business. Terms, now more than ever, must be stressed and stated in positive understandable language. We can maintain our standard of service only by constantly training and helping our sales and office personnel. This is an almost endless job, and it must be maintained with the older as well as with the new employees. As I see it, the only possible way of reducing costs is to be ever looking for new machines which will do the work of some employees, and strangely enough, there is always new equipment coming out which helps to reduce costs.

Consumer Finance QUESTION

How do consumer finance companies help the credit standing of the American family?

ANSWERS

Kaa F. Blue, Foundation Plan, Inc., New Orleans, Louisiana: Consumer finance companies improve the credit standing of the American family in various ways: First, by enabling them to acquire assets of value such as appliances and other hard goods, thereby increasing the net worth and responsibility of the families. Also, business transactions with consumer finance companies discipline them to make regular payments upon their indebtednesses according to fixed schedules, and that practice is reflected in their prompt payment of charge accounts, club plans, and other obligations. And, the family's credit record is improved also because when they have overbought, they consolidate their debts and reduce payments, thereby not only preventing possible delinquency but also making possible continued buying from merchants. This stabilizes and equalizes buying and paying. Credit executives who at one time refused to open charge accounts for those doing business with any consumer finance company, now realize such people may be desirable customers, who would perhaps be most steady in their purchasing and payments, because their finance affiliation gives them increased security.

Paul L. Selby, National Consumer Finance Association, Washington, D. C.: The licensed consumer finance companies operate under state laws designed to provide protected financing facilities for the American family. These companies serve many constructive financial purposes. One of the incidents or by-products of sound financial service is the improvement

of the customer's credit standing. The consumer finance companies help to improve the family credit standing in these ways, among others:

a. By a loan to pay off accumulated debts. Many families find themselves faced with accumulated bills which are either past due or are about to become past due because they cannot be paid out of current income when due. The proceeds of a loan pay off the bills. Payments tailored to the borrower's income will retire the loan over succeeding months. The family is current on all commitments and its good credit standing is maintained. Its record is current and not delinquent in the credit bureau files.

b. By providing funds for emergency expenses and for "large ticket" items. These items may include health services of vital importance or cash for durable goods, vacations, assistance to relatives or other constructive purpose. To meet such large expenditures, the family must either use all its savings reserves (if any) or become past due in paying normal current bills, or do the thing that most families prefer to do, namely, borrow the money and pay off the loan out of future income over a period of months. By the last method, a good credit standing is maintained and liquid reserves are not impaired.

c. By keeping the family in an "open buying" position. Many items like food, clothing, shelter, and utilities must be provided constantly. With wisely "tailored" loan payments, these current buying needs can be met without strain even though emergency or large purchase would otherwise throw them into delinquency somewhere. Credit standing is preserved.

d. By teaching planned budgeting of income and organized thrift habits, the consumer finance companies have created an appreciation of and respect for good money management to millions of American families. These families have come to look upon a good credit standing as one of their most prized assets; they know that with a good credit standing they can obtain financial help when they need it. The salutary psychological effect of this motivation cannot be minimized.

No one yardstick can measure the impact of each of the several factors which contribute to a good credit standing, but one thing is sure, the vast increase in the availability and use of consumer credit in this country proves that "man's confidence in man" is justified in the light of experience. The American family has become a good credit risk. We firmly believe that the consumer finance companies have helped materially in improving the credit standing of the family through their intimate and constructive counseling in personal financial management and by the practical expression of confidence and trust when merited. It takes a lot of confidence in people to hand over the cash on ten million loans a year. Consumer finance companies do just that because the American family has acquired and merits a good credit standing.

To do more business profitably, and to help locate "lost customers," always take a complete credit application from all new accounts and check these through your Credit Bureau.

CREDIT DEPARTMENT



LEONARD BERRY

AMONG THE MANY requests we have received recently was one for a "good" letter declining a customer's application for credit facilities. Explaining the request, our member wrote that he was not at all pleased with the letter he was currently using for rejecting credit applicants but confessed that, after many attempts, he had found it difficult to improve upon it and accordingly wanted us to write the letter for him.

Actually, as we pointed out to our member, there is no "good" way of writing a letter declining an application for credit service. This is one of the most perplexing public relations situations imaginable. The problem is how to convey the bad news that the application is being "turned down" and somehow at the same time retain as much as possible of the customer's good will. If, from a public relations viewpoint, the *acceptance* letter is the easiest one to write, certainly the *declination* letter is the hardest.

Perhaps the best answer to this real and practical problem which we all encounter every day is the one we gave our member. *We told him not to write such a letter at all.* Many experienced credit sales managers maintain, with complete justification, that the "perfect" declination letter has never been written and probably never will be. So they avoid the situation altogether.

Instead of setting forth in so many words that the customer is considered to be credit unworthy, is it not better public relations technique to approach the matter from an entirely different angle? A brief but friendly note to the applicant suggesting a further interview is one way. Another is to call the applicant on the telephone and invite him in for a personal visit to the credit office. Some credit sales managers even go so far as to do absolutely nothing, relying on the applicant to make the next move if he so desires. However, this is not good procedure as applicants expect to and should hear from you.

Some applicants do respond to the invitation to come in. Then the credit executive has an opportunity to review with the customer the entire financial picture without, of course, divulging specific details. Often sympathetic analysis of seemingly derogatory facts will shed new light and perhaps open the door to extension of some form of controlled or limited credit service. *Character* is the prime factor in the credit equation and it often happens that the quality of character, when recognized, might explain and even justify certain adverse parts of the credit report. At all events, even if the interview does not result in a new credit customer, the credit executive has had an opportunity of doing some "credit education," which is an important part of his work.

Consider this too: time brings many changes in the

affairs of men. A person involved financially today might easily become an excellent credit risk tomorrow. A final refusal placed in writing might be remembered to the store's disadvantage if this person, later on, becomes free of credit jeopardy. It is best not to put "bad" news in writing if such can be avoided.

This situation is often discussed at our Business Communications Clinics. Most of those in attendance agree, after such an explanation as this, that the declined letter should, generally speaking, be eliminated from the letter writer's repertory or, at least, used most sparingly. However, sometimes there is no possible way out of the difficulty but to write the customer. In such cases we must write our declination letter as carefully and thoughtfully as possible. These steps should be taken: *First*, thank the customer for making the application and do so graciously and sincerely. The fact that the application was made shows confidence in your firm and in your store, and is worthy of your cordial "thank you." *Second*, suggest that while the application is being declined today, you have every willingness to reconsider the matter in the future and, above all, tell the customer that you are truly sorry that you have to say "no" now. *Third*, make an earnest attempt to "sell" the store's other services. *Fourth*, end your letter on a cordial note. Thank the customer for his or her cash patronage and express desire to be of service in every way possible.

This Month's Illustrations ➔

Illustration No. 1. Here is an excellent credit sales promotion letter. The advantages to the customer of having a "BAY" charge account are clearly set forth. The customer is told that an account has already been opened and may be used immediately. We especially like the closing sentence: "Shop the modern way—use your charge account today."

Illustration No. 2. This credit sales promotion letter expresses thanks for prompt payment and encourages the customer to use another Budget Plan Account. It is always excellent procedure to thank a customer for prompt payment.

Illustration No. 3. Here is an outstanding collection letter. The account in question is seriously past due and legal measures are contemplated. However, the debtor is given a final opportunity to make payment arrangements. A specific date is stated and an appointment made to see the Credit Manager. This letter should bring good response!

Illustration No. 4. Another "Paid in Full" credit sales promotion letter. A special Identification Card is sent to the customer which assures her of prompt and complete credit service. By her prompt payment the customer has earned the right to have credit terms arranged to suit her individual needs.



Hudson's Bay Company.

INCORPORATED 2nd MAY 1860.

METAL STORE
WINNIPEG,
MANITOBA.

REPLY PLEASE QUOTE
REFERENCE

March 15, 1955

Mrs. John C. Customer
000 Main Street
Winnipeg, Manitoba, Canada

Dear Mrs. Customer:

Perhaps it would be more discreet to have asked you first, but we have opened a "BAY" Charge Account for you.

What advantage is this to you?

1. You save time when shopping.
2. You eliminate the need for carrying money in your purse.
3. No need to wait in for C.O.D. parcels.
4. You are advised from time to time of special sales.

Just choose your merchandise and ask the sales clerk to "CHARGE IT".

Your detailed statement of purchases becomes due on the 10th of the month following purchase.

Yes, it's as simple as that!

Every department at the "BAY" is enthusiastic about its stock of fresh new arrivals - what more convenient way to take advantage of these offerings than to simply "CHARGE IT"?

Shop the modern way - use your Charge Account today.

Yours faithfully,

For the HUDDSON'S BAY COMPANY,

Credit Manager

(1)



GERSER & SONS

391 PORTAGE AV.
WINNIPEG - CANADA

OFFICE OF THE VICE-PRESIDENT

March 15, 1955

Mrs. John C. Customer
000 Main Street
Winnipeg, Manitoba, Canada

Dear Mrs. Customer:

Congratulations! Your account is "Paid in Full" - and your credit rating with our store has been firmly established - to be used whenever you wish.

Good customers, like yourself, are the very foundation of our business, and we are sincerely proud to enclose our special Identification Card. It will immediately identify you and entitle you to every possible credit courtesy at Gerser's.

We invite you to visit us soon for the home furnishings, T.V., pianos, appliances and rugs you may require. From the wide variety of quality merchandise on display in our modern stores, we're sure you'll find exactly what you want - and we'll be glad to arrange terms for payment to suit your needs.

Cordially yours,

GERSER & SONS LTD.

(4)



THE WINNIPEG SUPPLY AND FUEL CO. LIMITED

HEAD OFFICE

8TH FLOOR, BOYD BUILDING

WINNIPEG, MAN.

CREDIT DEPARTMENT

Telephone 93-0942



March 15, 1955

Mrs. John C. Customer
000 Main Street
Winnipeg, Manitoba, Canada

Dear Mr. Customer:

Re: Outstanding balance \$50.00.

Your account has been referred to the writer for final action. However, we would appeal once more to your sense of fairness.

It is seldom that we find it necessary to resort to legal measures to collect outstanding accounts; and before such action is taken, we try to make sure that there is no just cause for the delay in payment.

We are making an appointment for you, therefore, to see the writer on Monday 21st of March. In your own interests please keep this appointment.

Yours very truly,
THE WINNIPEG SUPPLY & FUEL CO. LTD.,

C. C. Jamieson,
Credit Manager



Items of Interest From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

Interstate Aspects of Retailing in Relation to Antitrust Laws: The Supreme Court case of *Moore v. Mead's Fine Bread Company* (75 Supreme Court Reporter 148; Dec. 6, 1954), as the title of the case indicates, involved the baking business. Petitioner, Moore, was engaged in the bakery business in Santa Rose, New Mexico. None of his activities were interstate in character. There was "evidence that, on the threat of petitioner to move his bakery to another town, the local Santa Rose merchants agreed to purchase his products exclusively." The respondent, Mead's Fine Bread Company, was one of several corporations having interlocking ownership and management, all in the Mead family, operating plants in two Texas and three New Mexico towns. It sold its products in competition with petitioner.

Respondent, labeling petitioner's exclusive arrangements, referred to above, as a boycott, cut the wholesale price of bread in Santa Rose. The Mead companies did not cut the prices of bread in any other towns. The price war continued from September, 1948, to April, 1949, when petitioner was forced to close his business. The statutory provisions for violation of which petitioner demanded treble damages were Section 2 (a) of the Clayton Act, as amended, and Section 3 of the Robinson-Patman Act, which denounce price discriminations or unreasonably lowering prices for the purpose of destroying competition or eliminating a competitor.

The U. S. District Court for New Mexico entered judgment for Moore in his action for treble damages. The U. S. Court of Appeals for the Tenth Circuit reversed the judgment for the reason, as stated by the Supreme Court, "that the injury resulting from the price cutting was to a purely local competitor whose business was in no way related to interstate commerce."

The Supreme Court said: "The Court of Appeals read the antitrust laws as reaching local transactions only where: (1) the local restraint has an effect on the free flow of interstate trade or commerce; or (2) the restraint on or the monopoly of local trade is effected through the utilization of interstate mechanisms; or (3) local prices are fixed by the use of interstate commercial transactions; or (4) the discriminatory sales are to purchasers who compete in interstate commerce; or (5) interstate commerce is in some other way used to destroy competition or is injured or impaired as a result of unlawful acts (Citing cases for above propositions).

"We think that the practices in the present case are also included within the scope of the antitrust laws. We have here an interstate industry increasing its domain through outlawed competitive practices. The victim, to be sure, is only a local merchant; and *no interstate transactions are used to destroy him* (Italics supplied). But

the beneficiary is an interstate business; the treasury used to finance the warfare is drawn from interstate, as well as local, sources which include not only respondent but also a group of interlocked companies engaged in the same line of business; and the prices on the interstate sales, both by respondent and by the other Mead companies, are kept high while the local prices are lowered. If this method of competition were approved, the pattern for growth of monopoly would be simple. As long as the price warfare was strictly intrastate, interstate business could grow and expand with impunity at the expense of local merchants. The competitive advantage would then be with the interstate combines, not by reason of their skills or efficiency but because of their strength and ability to wage price wars. The profits made in interstate activities would underwrite the losses of local price-cutting campaigns. No instrumentality of interstate commerce would be used to destroy the local merchant and expand the domain of the combine. But the opportunities afforded by interstate commerce would be employed to injure local trade. Congress, as guardian of the Commerce Clause, certainly has power to say that those advantages shall not attach to the privilege of doing an interstate business. This type of price cutting was held to be 'foreign to any legitimate commercial competition' even prior to the Robinson-Patman Act (Citing cases). It seems plain to us that Congress went at least that far in the Robinson-Patman Act."

Fees and Charges of Federal Agencies for "Whereabouts" Information: Chapter V of the "Independent Offices Appropriation Act of 1952," effective Aug. 31, 1951 (5 USCA 140) provides in part as follows: "It is the sense of the Congress that any work, service, publication, report, document, benefit, privilege, authority, use, franchise, license, permit, certificate, registration, or similar thing of value or utility performed, furnished, provided, granted, or issued by any Federal agency . . . shall be self-sustaining to the full extent possible . . ."

Pursuant to this provision, Budget Director Joseph M. Dodge issued Circular No. A-28, dated Jan. 23, 1954, which provides general policies "for the charging of fees by Federal agencies for copying, certification, and search of Government records." It also laid down definitions of services covered; standards for the determination of fees; announcement of fee schedules; and, lastly, provided that "Fee schedules shall be reviewed by each agency at least once every two years." The Circular provides for a \$1.00 fee for one and 50 cents for each additional "whereabouts" inquiry, which should be addressed to the appropriate branch of service and include serial number.

comparative

COLLECTION PERCENTAGES

February 1955 vs. February 1954

N.R.C.A. DISTRICT and CITIES	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						MEN'S CLOTHING STORES								
	1955			1954			1955			1954			1955			1954			1955			1954					
	AV.	HL	LO.	AV.	HL	LO.	AV.	HL	LO.	AV.	HL	LO.	AV.	HL	LO.	AV.	HL	LO.	AV.	HL	LO.	AV.	HL	LO.			
Boston, Mass.*	—	—	—	39.5	42.4	35.0	—	—	—	16.2	30.9	7.8	—	—	—	—	—	—	—	—	—	—	—	—	—		
Portland, Me.	43.7	46.6	40.8	50.8	53.4	48.2	14.1	14.7	13.5	—	14.9	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
1 Providence, R. I.	43.5	46.3	40.5	46.5	50.5	42.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Springfield, Mass.	57.3	59.8	54.8	58.9	61.7	56.1	25.3	31.8	18.9	22.1	24.8	19.4	—	583	—	—	590	—	—	47.2	—	—	49.1	—	—	—	
Worcester, Mass.	38.9	44.0	33.8	40.6	45.3	35.8	14.4	17.7	11.0	15.2	20.7	9.7	50.7	53.0	48.4	54.3	55.0	53.6	—	—	—	—	—	—	—	—	
2 New York, N. Y.	43.9	48.6	38.0	41.9	48.9	30.8	12.6	14.7	10.6	13.3	13.5	13.0	45.3	54.0	39.8	42.9	51.8	38.6	44.2	45.0	43.4	48.0	48.9	47.2	—		
3 Birmingham, Ala.	35.9	42.3	32.4	39.0	45.3	34.3	16.6	20.7	12.5	16.4	20.6	13.4	37.3	41.6	31.8	37.3	43.7	32.0	45.0	48.9	42.0	48.5	49.8	47.6	—		
New Orleans, La.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Cincinnati, Ohio	—	—	—	52.9	57.2	47.5	—	—	—	14.7	21.6	10.8	—	—	603	69.0	51.7	—	—	—	—	—	—	—	—	—	
Cleveland, Ohio	45.4	51.6	42.2	43.3	48.5	41.3	18.5	23.4	13.2	19.6	22.6	15.6	46.2	50.9	41.6	46.4	53.7	39.7	66.4	83.8	50.3	71.6	97.3	48.1	—		
Louisville, Ky.	47.8	49.8	45.7	50.0	57.6	42.3	17.4	17.8	17.0	15.2	15.6	14.8	44.2	45.4	43.0	43.9	45.2	42.6	46.0	56.9	39.9	48.8	53.7	40.9	—		
5 Milwaukee, Wis.	54.1	57.1	48.4	54.4	59.1	49.1	13.6	13.8	13.5	14.7	15.7	14.6	46.7	59.1	443	51.2	55.8	46.7	46.0	47.8	42.8	50.0	55.9	48.1	—		
Toledo, Ohio	46.8	50.0	28.1	46.7	52.0	28.1	17.9	22.0	10.5	13.8	18.1	12.0	58.8	59.7	579	58.5	61.8	55.2	—	41.3	—	—	41.1	—	—	—	
Youngstown, Ohio	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	72.5	—	—	—	—	—	—	
Ottawa, Ont.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
6 Minneapolis, Minn.	—	62.7	—	—	—	—	15.1	15.6	14.7	14.1	16.2	13.0	—	54.2	—	—	—	—	42.2	43.4	41.2	46.2	50.7	41.0	—	—	
7 Kansas City, Mo.	52.1	62.2	47.0	53.5	54.9	44.9	13.9	15.4	4.8	13.6	13.9	7.4	—	—	—	—	—	—	55.7	63.5	53.8	56.1	63.0	50.9	—	—	
St. Louis, Mo.	53.7	55.1	52.2	54.8	55.4	53.9	19.1	20.2	17.6	20.1	21.8	18.3	454	55.1	40.0	44.2	54.8	41.0	47.2	50.6	43.5	46.7	51.8	43.5	—	—	
Dallas, Texas	55.7	57.6	39.0	52.1	56.5	45.7	—	9.7	—	—	10.7	—	50.1	50.9	42.9	50.9	51.9	42.0	50.3	62.9	45.6	52.6	59.6	33.9	—	—	
8 Ft. Worth, Texas	48.8	51.2	46.8	49.5	50.6	47.0	12.5	14.4	11.2	12.1	14.6	10.7	49.7	50.4	46.1	45.6	51.7	44.3	64.4	67.7	47.6	63.3	64.4	42.1	—	—	
Houston, Texas	—	—	—	43.6	50.0	38.0	—	—	—	13.1	13.8	12.5	—	—	—	44.0	—	—	—	42.8	53.1	32.5	—	—	—	—	
9 Denver, Colo.	45.4	52.0	43.3	46.8	48.2	41.2	16.3	20.4	13.4	15.0	18.8	12.6	—	52.0	—	45.8	47.5	44.1	—	52.0	—	45.8	47.5	44.1	—	—	—
Salt Lake City, Utah	55.4	66.4	49.6	52.4	56.4	50.1	17.2	20.4	15.3	18.7	23.3	16.4	—	—	—	—	—	—	43.7	45.4	42.0	47.6	50.2	45.1	—	—	
10 Spokane, Wash.	45.0	50.0	40.0	35.0	35.0	35.0	—	40.0	—	—	40.0	—	—	53.9	—	—	56.2	—	—	72.0	—	—	72.0	—	—	—	—
Los Angeles, Calif.	58.5	60.1	45.9	56.2	58.8	48.8	—	—	—	17.2	17.8	15.0	—	—	—	—	—	—	45.0	51.1	40.5	47.2	68.0	41.0	—	—	
Oakland, Calif.	51.3	53.2	50.4	49.8	52.9	50.9	14.7	28.2	12.5	14.7	17.0	14.5	45.8	54.3	37.4	49.4	57.9	40.8	—	—	—	—	51.2	—	—	—	—
11 Santa Barbara, Calif.	56.5	62.9	50.4	56.3	62.2	53.5	—	—	—	—	—	—	54.5	66.2	47.5	54.3	61.0	50.3	53.8	62.6	43.2	52.1	58.0	41.6	—	—	
San Francisco, Calif.*	48.0	55.4	40.9	44.0	53.0	39.0	16.3	18.7	14.0	17.1	18.0	13.1	45.6	52.2	40.5	44.5	48.5	40.7	44.3	48.8	40.2	45.6	47.3	41.1	—	—	
San Jose, Calif.	52.7	55.6	43.1	50.2	54.7	44.0	16.5	18.1	14.9	16.1	18.8	13.5	54.0	53.3	52.7	53.8	54.7	52.9	—	—	—	—	—	—	—	—	
Baltimore, Md.	46.3	50.5	42.4	45.0	46.8	43.6	14.0	18.1	12.3	16.4	21.6	12.1	40.1	47.8	32.3	40.9	48.6	36.2	45.3	47.0	43.6	46.8	48.7	45.0	—	—	
Philadelphia, Pa.	38.8	39.7	38.2	38.3	42.5	36.0	8.8	10.0	8.0	10.2	10.8	9.5	39.6	45.9	29.3	39.7	45.4	32.7	—	—	—	—	—	—	—	—	
Washington, D. C.	43.4	47.7	40.4	40.9	44.4	37.6	14.4	17.9	12.8	13.9	19.9	10.6	—	—	—	—	—	—	—	—	—	—	—	—	A.H.M.		

* Figures for January.

Consumer Credit for January

CONSUMER INSTALMENT CREDIT outstanding amounted to an estimated 22,436 million dollars at the end of January, \$1 million below the preceding month end and \$600 million above a year ago. The decline during the month compares with a decrease of \$351 million in January of last year and an increase of \$188 million in the same month of 1953. Automobile instalment credit outstanding increased 63 million dollars to an estimated 10,459 million at the month end. Personal loans increased slightly. These increases were more than offset by decreases in other consumer goods paper and repair and modernization loans. Instalment credit extended, estimated at \$2,389 million dollars, was below the December seasonal peak but was above January of last year. Extensions of automobile credit were somewhat below the high December level. Credit extended on other consumer goods paper decreased less than is usual for this time of year. Repayments on instalment credit in January declined to about the rate prevailing before the seasonal rise in December. Total short- and intermediate-term consumer credit outstanding at the end of January was estimated at 29,684 million dollars, 441 million

below December but 960 million above a year ago.—Federal Reserve Board.

Department Store Credit for January

INSTALMENT ACCOUNTS outstanding declined 1 per cent during January. This was somewhat less than other January decreases of recent years. Compared with a year ago, month-end balances outstanding were up 9 per cent. The January instalment collection ratio, estimated at 14 per cent, was unchanged from both a month ago and a year ago. Charge accounts outstanding decreased from December to January, although somewhat less than the usual seasonal decline. Balances outstanding at the end of the month were 18 per cent below the preceding month end but were 2 per cent above a year ago. Collections during the month amounted to 44 per cent of first-of-month balances, 2 points below the December collection ratio. Sales of all types decreased sharply from December to January, but continued above a year ago. Cash sales were 5 per cent above January of last year, while charge-account and instalment sales were up 9 per cent and 18 per cent, respectively.—Federal Reserve Board.

Granting Credit in Canada

C. B. FLEMINGTON . . Canadian Correspondent

A Teenager Looks at Credit

JOE QUINN, Sydney Academy, Sydney, Nova Scotia, Canada

CREDIT as we know it today, that is, as a means of obtaining certain goods from people or industrial firms on the basis of their faith in us to pay for these goods at a later date, is certainly one of the most popular and easy ways to purchase goods. This method of buying is particularly useful to people who never possess very much money at any one time, but depend on a small, but steady income.

One of the best-known methods of credit-buying today is, I believe, the purchase of goods on the so-called "easy payment plan." Christmas is certainly not very far away, and mothers will soon be shopping for gifts for their loved ones. The industrial situation here in Nova Scotia is certainly not very promising, with coal mines closing down frequently due to very unfortunate circumstances and the Sydney Steel Plant manufacturing materials while using comparatively "few" employees because of recent layoffs, with the consequent result that very many people have less money than usual. Thus it can easily be seen that many goods purchased by Nova Scotians this Christmas will be purchased on the "easy payment plan," or simply on credit. This situation is present not only in Nova Scotia, but in many provinces or cities in Canada.

One may think that the benefits derived from buying on credit are for the consumers only. This, of course, is wholly untrue, because if people had to buy goods for

This article is one of the prize-winning essays entered in a contest sponsored by the Toronto Chapter of The Canadian Credit Institute, through the medium of the Canadian High News, a high school publication.

It has been contributed by Joe Quinn, a pupil at Sydney Academy, Sydney, Nova Scotia, Canada, and in his declaration he verifies that he has used no prescribed text but that the ideas expressed are his own entirely, as he wished to be judged on his own personal interpretation of the subject.

This is a part of the program sponsored by the Canadian Credit Institute in an effort to acquaint senior students of our Collegiate and Vocational Schools with the elementary use of credit as a medium of exchange. We have been fortunate enough to arrange classes in some of the Toronto schools which have been well attended and we think also appreciated.

This article was entered under the title, "Credit—Its Benefits to All," but in order to emphasize the age of the contributor we have taken the liberty of changing it to "A Teen-Ager Looks at Credit." The chief criticism passed on by the judges was to the effect that the entrant failed to comment on what might be termed the most common abuses of consumer credit, viz., overbuying with its resulting penalties.

We think he has done very well in this his first attempt and it is submitted to the readers of *The CREDIT WORLD* as a sample of what is being attempted in an effort to educate our rising generation in the proper use of credit; how it may be used to enrich but not to enslave.

Congratulations, Joe, we hope to hear from you again.
Carl B. Flemington.

cash, then sales would definitely decrease so greatly that a serious situation would arise in Canada's industry and manufacturing. Now we can understand just how important and beneficial credit is to our business and our country.

I mentioned before that credit is practically a "life-saver" for most people, that is, those who don't have too much money. This is very true, but it is also very important to people who have a comfortable income. One good reason for this is because "rich people buy rich goods." I am no expert at writing, and that is a simple way of expressing just what I mean. Let us pretend that Mr. Brown, a well-to-do man, wants to buy a new car. The car costs about four thousand dollars, but at this time Mr. Brown just doesn't have that much money. Naturally, he buys the car on credit or payment terms and now he has the car and also he is assured he can pay the balance. Now, from a purchase in this manner he has derived the benefits given us by credit.

Lastly in this group, we come to the people who are the same as myself—students. Many of us have after-school or week-end jobs, but still more have not. Therefore, when a student wants to buy something, his biggest problem is money. Everyone knows that you can't buy goods without money. However, we can easily manage to pay a small amount every month or every week and still obtain the gift or material we desire.

From the examples given, anybody can easily understand why buying on credit is so popular and so easy. These are just common examples, but common examples are much better than rare ones. The ordinary woman, the well-to-do man, and the average student each obtained his or her goal by buying on credit. As I also pointed out, if these purchases were not made, a serious problem would arise in Canada, or in any country for that matter.

Now, let us examine this type of buying in groups. Social or industrial groups or committees may buy goods on credit just as easily as individuals can, and probably easier. Before a person can buy goods on credit, a firm must know if that person can pay on the terms required. This is true also for groups of people, but most business firms have a policy of selling goods on credit to most groups because these groups have established either a good or a bad reputation.

Mention has been made of what would happen to a country if its people couldn't buy on credit, but what would happen if the country or its large manufacturing companies could not buy on credit? There is no country in the world which possesses all the materials it needs to carry on efficiently; therefore, each must buy or trade goods with others. Some countries are rich and others are poor; therefore, buying on credit is necessary, because a country doesn't always have the money at hand to pur-

chase goods. This proves to be a very efficient method of buying even when so much money is involved, and in the past has saved many people from starvation. During the war when many countries were in a desperate situation, the United States and Canada contributed goods for their welfare. No payment was asked then, but as the countries began to grow and get richer, they realized the kindness of others and paid them back. Now, many countries which contributed goods are very thankful, because today they have a steady income pouring in from all over the globe.

To close this essay, I should like to say that never, as far as I know, has there been such a beneficial and helpful method of buying and selling goods as exists today; and today's buying and selling are carried on almost entirely on *credit*. Its importance is not hard for anyone to understand, and I believe that as long as this method of buying is employed without somebody or some country committing a grave default, it will continue to exist as the best method ever devised. ***

Do Business and Pleasure Mix?

Of course they do and very profitably, too, during Retail Credit Conferences. Let there be no doubt about it, management recognizes the benefits derived from such meetings and that is why there is such wonderful response when a Credit Conference is planned.

This year the Pacific Northwest Retail Credit Conference is being held in beautiful Vancouver, Canada, May 21-24, 1955. A visit to this marvelous seaside Canadian city is a pleasure in itself. Here, within walking distance, is the world-famous Stanley Park, a wooded wonderland of 1,000 acres. Also close at hand are miles of safe, sandy beaches. For those who enjoy the beauty of the mountains the ski lifts are but a 15-minute drive from the city centre.

The highlight of the business session of this "34th Annual Conference" is the exceptionally well-planned group meetings to take place all day Tuesday, May 24, 1955. Every field of retailing is to be covered. The chairmen and co-chairmen for the various groups are well versed in credit work. A few of the groups are: Consumer Loans, Department and Specialty Stores, Petroleum, Fuel Dealers, Building Materials, Mortgage and Loans, Automotive, Household Appliances and Jewelry, Utility and Professional Groups.

Prominent speakers have been chosen to give us a bird's-eye view of conditions and trends and to inspire us for bigger things to come. In this ever changing mode of business today we need this leadership and encouragement. Out of every conference come new and better ideas—ways are opened to accomplish the tasks confronting us. Only at a conference such as this can business representatives have the experience of talking over mutual problems with other people in the same and varied lines, with all barriers and formalities of competition removed. This value you receive far outweighs the expense of attending such a gathering.

We could go on and on listing the advantages of a Retail Credit Conference to business people but space does not permit. A mighty programme of entertainment has been planned for the delegates. The best hotels have been made available and the rates are reasonable. Con-

"The Credit Bureau"

(Beginning on page 4.)

The Credit Bureau and the Credit Grantors' Association are very much interlocking, one with the other. There is one big difference for the special purpose of protecting the individual firms to which our credit men belong. The Credit Grantors' Association does not issue or publish reports of any kind. This job is done by the privately owned Credit Bureau which is solely responsible for such reports and in all cases must bear the brunt of any mistakes in such reports and the liability by way of suit in any damage action.

We could not conclude this article without acknowledging the always ready assistance given to us by our friends across the border and particularly the National Retail Credit Association and the Associated Credit Bureaus of America. This assistance is just another outstanding example of the people of two nations co-operating to the fullest extent and can be summarized in the following lines.

A M E R I C A

There's but one land America—from Gulf to Baffin Bay,
We call our land Canada—you call yours U. S. A.
But what are lands—and peoples—what are they?
When Freedom, Truth, and Justice demand our thoughts today,
We speak the same dear mother tongue, our blood is your
blood too.
The colours of our Country's Flags, the same red, white, and
blue.
Two flags—one race—one people. Two countries just the
same.
One faith—one hope—one purpose—God save the twain.

—Anon.

ference headquarters are at Vancouver's finest hotel, The Hotel Vancouver. Monday evening guests will be entertained at the Commodore Cabaret to a "Western Night." You haven't been "Out West" until you have attended this affair. Tuesday evening will be climaxed by the Grand Ball to be held in The Hotel Vancouver.

Come and enjoy yourself but be sure to register now. Registration Chairman is Harold Bell and the address is 606 Randall Building, 535 West Georgia Street, Vancouver 2, B. C., Canada.

Emblem

Order from

NATIONAL RETAIL CREDIT ASSOCIATION
375 Jackson Ave. St. Louis 5, Missouri

The Direct Inquiry and The Consent Decree

THE NATIONAL OFFICE receives, from time to time, requests to explain the meaning of "Direct Inquiry."

A "direct inquiry" is any inquiry for credit information *to be used for the extension of consumer credit* made by:

- (a) Any credit granter to any other credit granter.
- (b) Any credit bureau to any credit granter except by an ACBofA credit bureau to its own members.

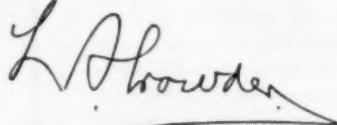
A "credit granter" is defined as meaning "any person who sells or otherwise furnishes consumer goods or services on credit."

This definition dispels past uncertainty as to just what is meant by the term "direct inquiry." It eliminates inquiries from such sources as attorneys, collection and detective agencies, skip tracers and others who have no legitimate interest in the extension of consumer credit.

The Court order of October 19, 1953, restrains two or more credit granters from making an agreement among themselves or with any credit bureau that they will refuse to answer direct inquiries or refer such inquiries to the Credit Bureau.

Each credit granter shall determine individually and for himself, and without any agreement or understanding, written, oral or otherwise, with any other credit granter or with any credit bureau, whether to furnish credit information in response to any direct inquiry.

In other words, each credit granter has the right to handle direct inquiries in accordance with his own established policy so long as he does not enter into any agreement or understanding with any other credit granter or credit bureau as to what action he will take.



General Manager-Treasurer
NATIONAL RETAIL CREDIT ASSOCIATION

Mr. Credit Executive
... your account

Do you age your accounts? Here is a form designed especially for your needs.



To assist Credit Departments in performing a more efficient credit control on past due accounts, we have several times during the past few years revised the Age Analysis form reproduced below. Over 2,000,000 have been sold to date, testifying to its success.



It is especially effective for smaller stores for use in collection follow-up and freezing accounts.



The size is 9½" x 12" and they are padded 100 to a pad. Prices: 100, \$1.50; 500, \$5.00; 1,000, \$9.50. Postage extra. Special prices on larger quantities. Order Age Analysis Forms No. 721, today, from your Credit Bureau or National Office.



NATIONAL RETAIL CREDIT ASSOCIATION



375 Jackson Avenue

St. Louis 5, Mo.

ACCOUNTS RECEIVABLE AGE ANALYSIS

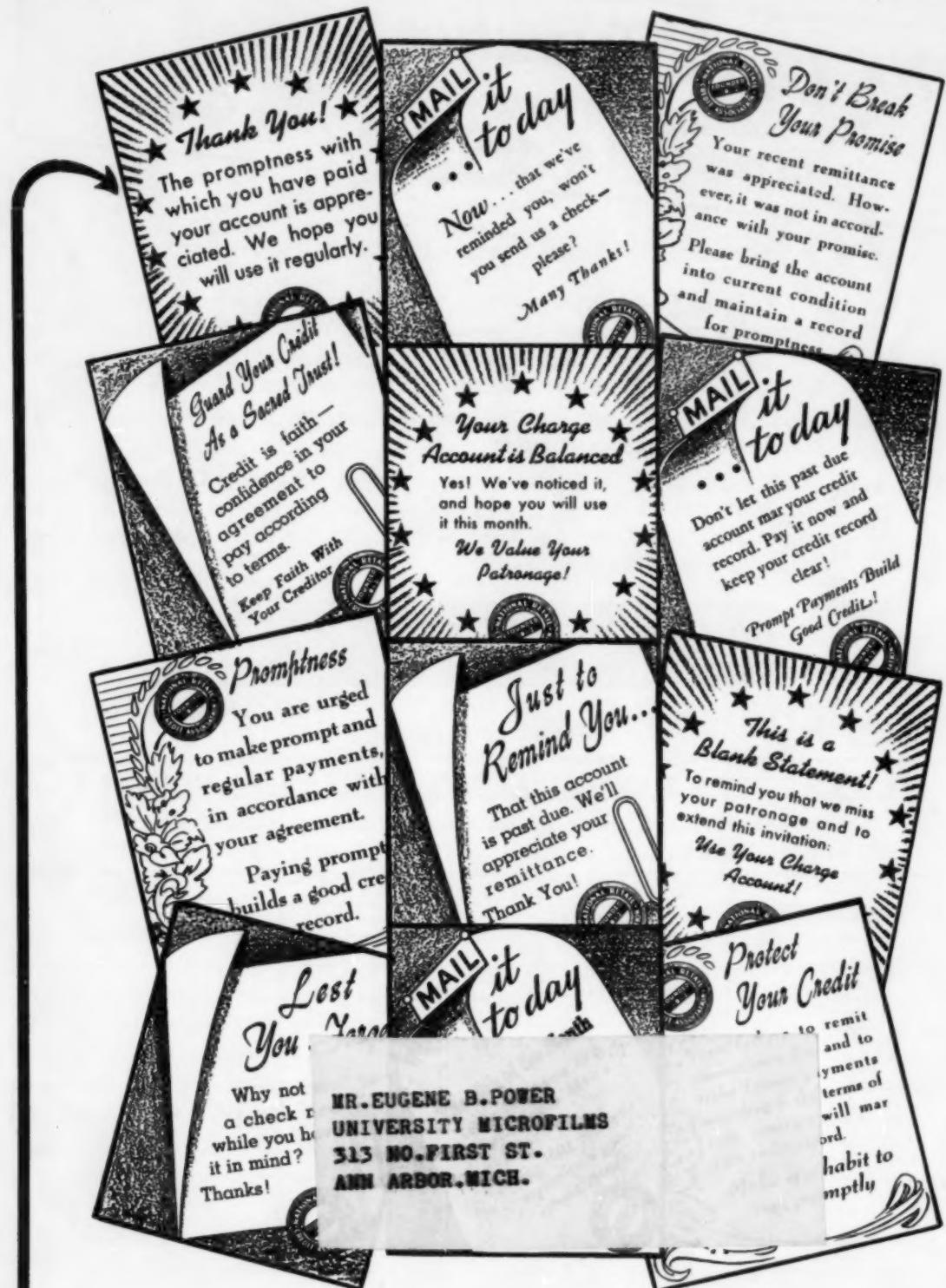
NAME OF VIM

MONTH OF.

In the interests of efficient credit control accounts past due more than 60 days or accounts in an overduing condition should be reported to the Credit Bureau.

Form 721—National Retail Credit Association—Saint Louis

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Price \$3.00 per thousand, \$3.50 per thousand assorted in lots of 100, postage extra. Shown actual size. Twelve in the series. Four modern art styles in different colors. Order from National Retail Credit Association, 375 Jackson Ave., St. Louis 5, Mo.